



# **Renegade Exploration Limited**

ABN 92 114 187 978

## **Financial Report**

for the half-year ended 31 December 2018

**CONTENTS**

	Page No
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	12
Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
Consolidated Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Condensed Notes to the Consolidated Financial Statements	17
Directors' Declaration	25
Independent Auditor's Review Report	26

## **CORPORATE DIRECTORY**

### **Directors**

Mr. Robert Kirtlan (Non – Executive Chairman)

Mr. Mark Wallace (Non – Executive Director)

Mr. Peter Voulgaris (Non – Executive Director)

### **CEO**

Mr. Ben Vallerine

### **Company Secretary**

Mr Graeme Smith

### **Registered Office and Principal Place of Business**

Suite 5, Level 1

12-20 Railway Road

Subiaco WA 6008

Australia

Telephone: (+61 8) 9388 6020

Facsimile: (+61 8) 9388 0097

### **Share Register**

Computershare Investor Services Pty Ltd

Level 11

172 St Georges Terrace

Perth WA 6000 Australia

Telephone: 1300 850 505

International: (61 3) 9415 4000

Facsimile: (61 8) 9323 2033

### **Stock Exchange Listing**

Renegade Exploration Limited shares

are listed on the Australian Securities

Exchange, the home branch being Perth.

ASX Code: RNX

### **Auditors**

Stantons International Audit and Consulting Pty Ltd

Level 2, 1 Walker Avenue

West Perth WA 6005

### **Solicitors**

Corrs Chambers Westgarth

Level 6, Brookfield Place Tower 2

123 St Georges Terrace

Perth WA 6000

## Directors' Report

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The Directors of Renegade Exploration Limited ("Renegade" or "the Company") and its subsidiaries ("the Group") submit their report for the half-year ended 31 December 2018.

### Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

		<u>Appointed</u>	<u>Resigned</u>
Mr. Robert Kirtlan	Non - Executive Chairman	23 May 2017	Current
Mr. Mark Wallace	Non - Executive Director	25 Jun 2017	Current
Mr. Peter Voulgaris	Non - Executive Director	24 Nov 2017	Current

### Company Secretary

The Company Secretary during the period is as follows:

	<u>Appointed</u>	<u>Resigned</u>
Mr Graeme Smith	30 Jun 2018	Current

### Principal Activity

During the period, the Group's principal activity was mineral exploration. The Group currently holds a base metals project and a copper-cobalt project in Canada. Additionally, the Group has an option to acquire a 75% interest in the Yandal East Gold Project in Western Australia.

### Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company since balance date.

### Results of Operations

The Group's net loss after taxation attributable to the members of Renegade Exploration Limited for the half-year ended 31 December 2018 was \$21,647 (2017: \$488,693).

### Review of Operations

During the half year Renegade completed an inaugural, first pass aircore drilling programs at the Yandal East Gold Project (**Yandal East** or the **Project**). The drilling program was successful in identifying both higher grade and thick mineralisation at multiple targets across the Project.

The Company has identified significant mineralisation across multiple prospects with gold grades up to 4.61 g/t at Ward and up to 5.74 g/t at Mizina South with values greater than 1 g/t Au also returned from Mizina North and Millrose Extension.

Some of the more significant intercepts include;

- ★ 23m @ 1.38 g/t Au from 84m, including,
  - 8m @ 2.04 g/t Au from 84m
- ★ 20m @ 1.02 g/t Au from 88m
- ★ 10m @ 0.95 g/t Au from 90m
- ★ 60m @ 0.21 g/t Au from 60m
- ★ 4m @ 4.47 g/t Au from 12m including,
  - 1m @ 10.55 g/t from 12m

## Directors' Report

A vast amount of knowledge and data has been gathered as a result of the drilling programs which commenced in July of 2018 with a follow up program in November which successfully identified significant mineralisation including both higher grade and thick mineralisation at the Mizina South and Ward Prospects

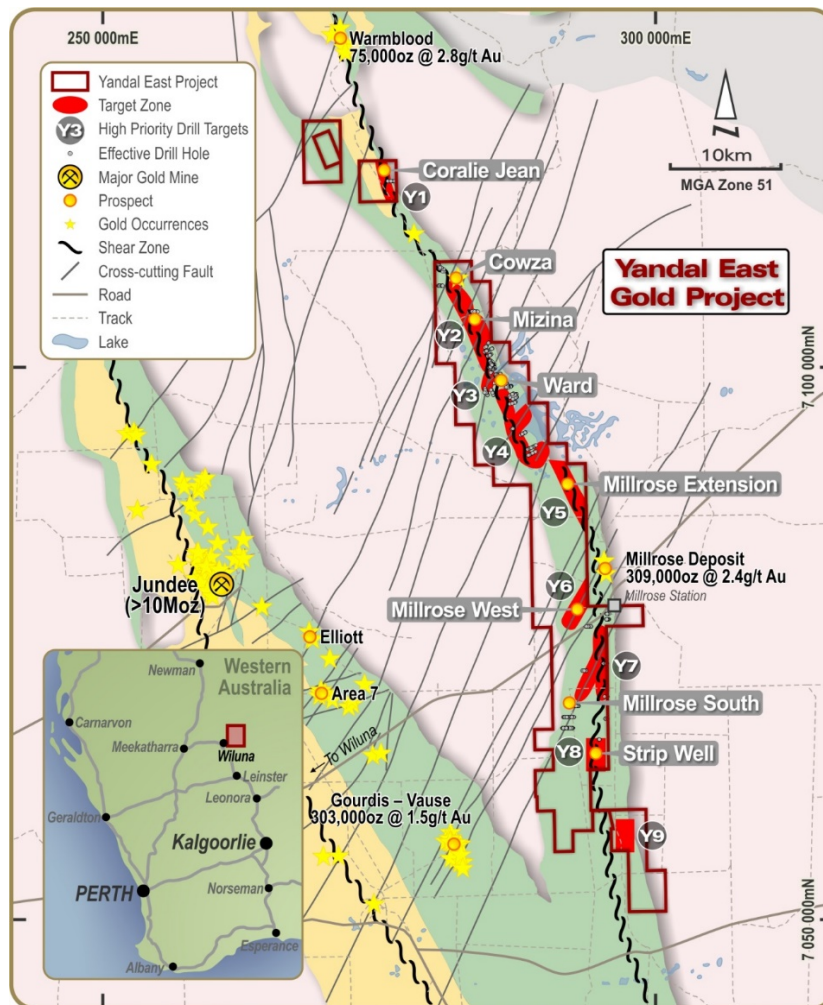


Figure 1. Location of Yandal East and priority targets and prospects

### Ward

At the Ward Prospect, the Company completed 61 holes for 5,684m.

Thick, significant mineralisation was returned from multiple holes, the better intercepts include;

- ★ 10m @ 0.95 g/t Au from 78m including;
  - 6m @ 1.40 g/t Au from 82m
- ★ 4m @ 1.55 g/t Au from 61m
- ★ 4m @ 1.36 g/t Au from 64m
- ★ 1m @ 1.84 g/t Au from 38m
- ★ 8m @ 0.62 g/t Au from 60m
- ★ 23m @ 1.38 g/t Au from 84m, including,
  - 8m @ 2.04 g/t Au from 84m (YEAC0317)
- ★ 20m @ 1.02 g/t Au from 88m (YEAC0313)
- ★ 10m @ 0.95 g/t Au from 90m (YEAC0306)
- ★ 60m @ 0.21 g/t Au from 60m (YEAC0312)

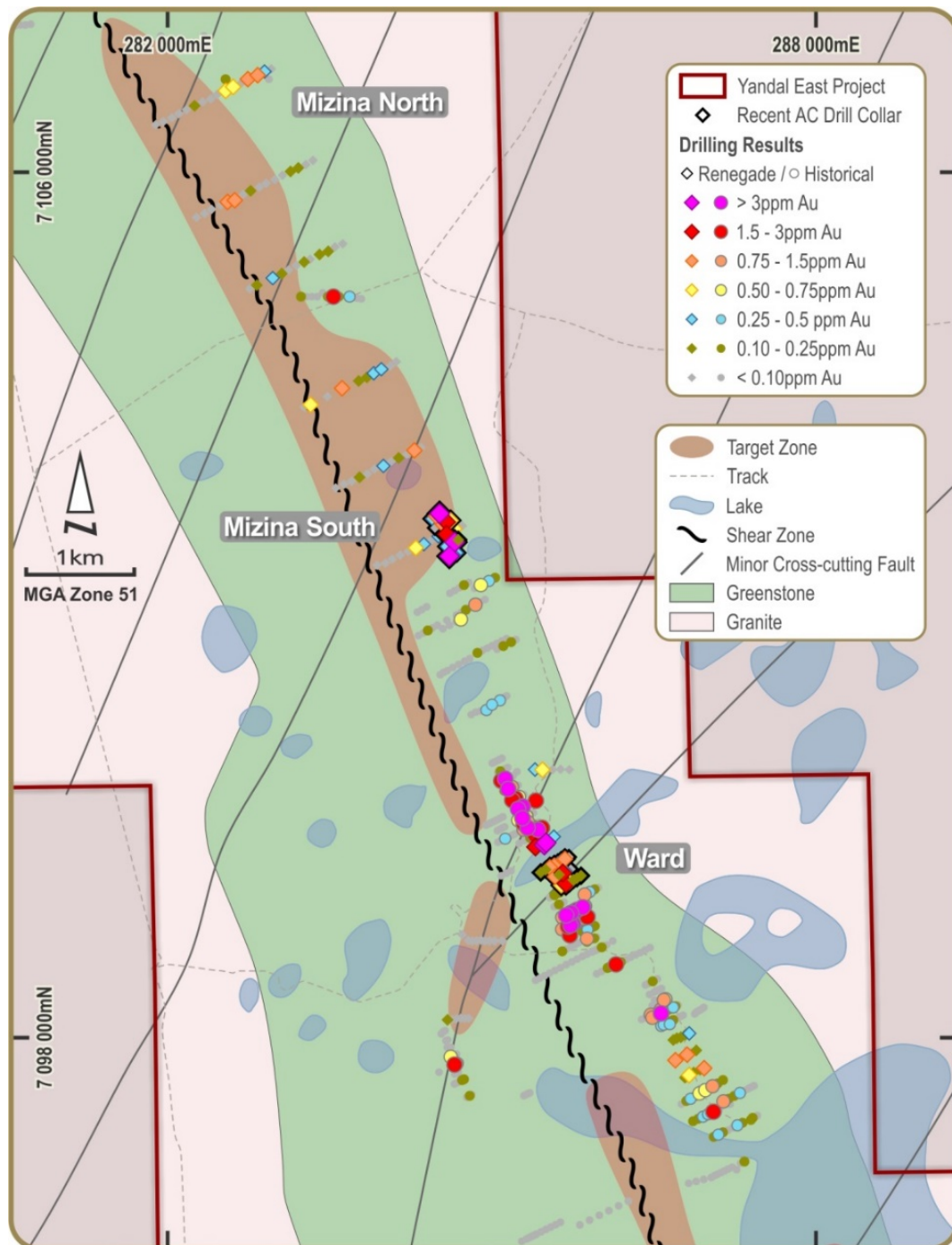


Figure 2. Location and drilling at the Ward and Mizina South prospects

The southern end of the mineralisation was previously interpreted to be closed off immediately north of a small dry lake. The Company drilled a single line on the very northern-edge of the lake in July and intersected significant mineralisation including **6m @ 1.40 g/t Au from 82m** and **4m @ 1.55 g/t Au from 61m**.

The Company determined the mineralisation to likely be continuous and still open with a 600m un-drilled corridor which was the focus for the November program at Ward. The corridor is immediately south of some of the best drilling intercepts at Yandal East including **13m @ 3.1 g/t Au from 61m**.

With only one third of the 600m corridor obscured by the lake, the November drilling focused on the easily accessible 400m south of the lake. The Company is excited by the results from this corridor and notably the thickness, including intervals of **23m @ 1.38 g/t Au from 84m** and **20m @ 1.02 g/t Au from 88m**.

These results confirm the prospectivity of the previously un-drilled corridor and the Company has plans to continue exploration in this area to determine if higher grade, economic mineralisation can be discovered in the immediate vicinity.

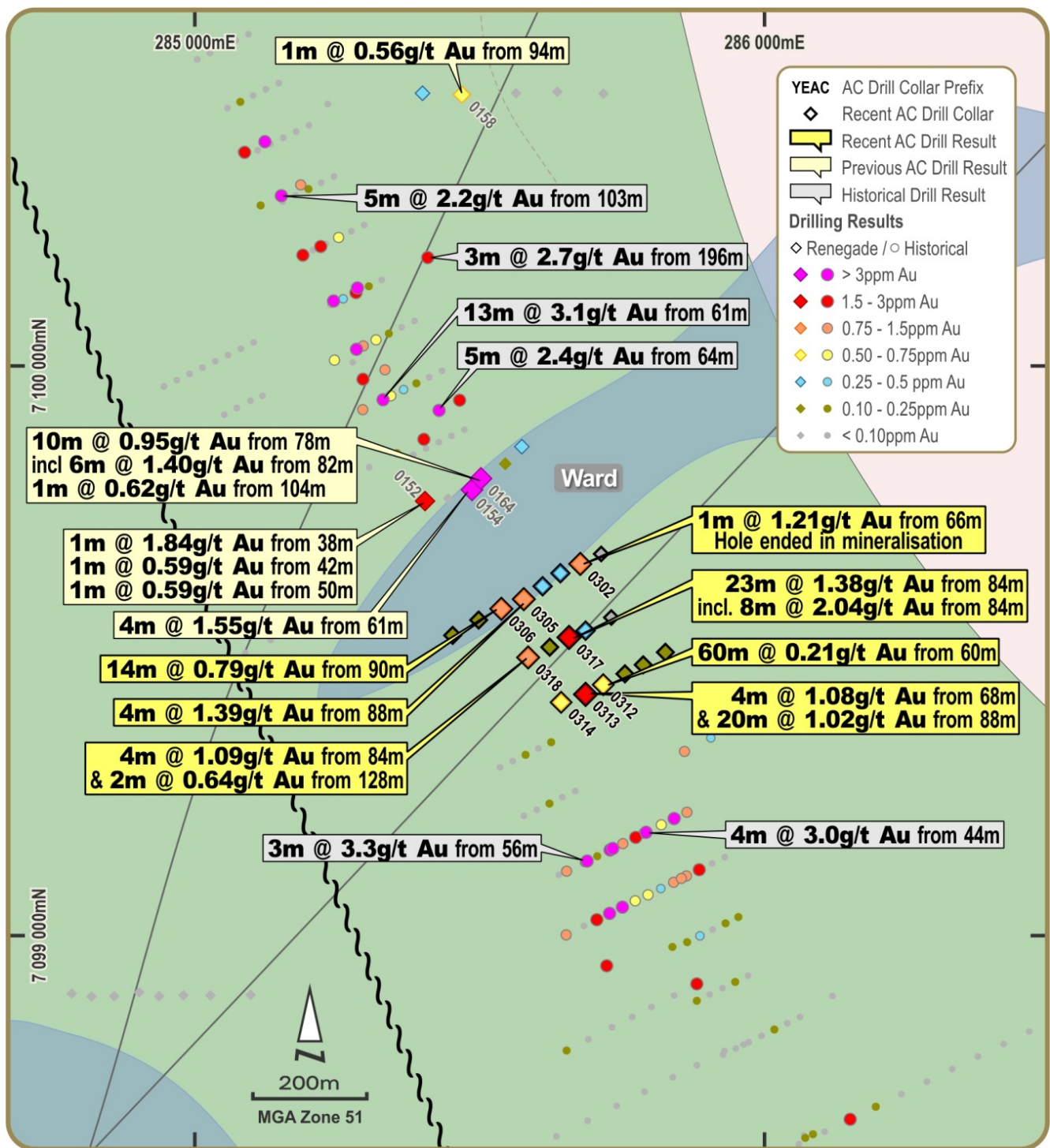


Figure 3. Location of drilling and significant intercepts at Ward

## Mizina

Mizina is one of the most exciting targets drilled in the inaugural aircore program at Yandal East in July 2018. A total of 93 holes for 9,700m were drilled across the 7km of strike length that makes up the Mizina target. Some of the better results include;

- ★ 11.5m @ 0.80g/t Au from 117m,
- ★ 1m @ 2.56 g/t Au from 89m,
- ★ 1m @ 1.34 g/t Au from 51m
- ★ 6m @ 0.59 g/t Au from 71m
- ★ 1m @ 5.74 g/t Au from 83m
- ★ 1m @ 4.11 g/t Au from 113m
- ★ 6m @ 1.67 g/t Au from 80m
- 4m @ 2.31 g/t Au from 80m

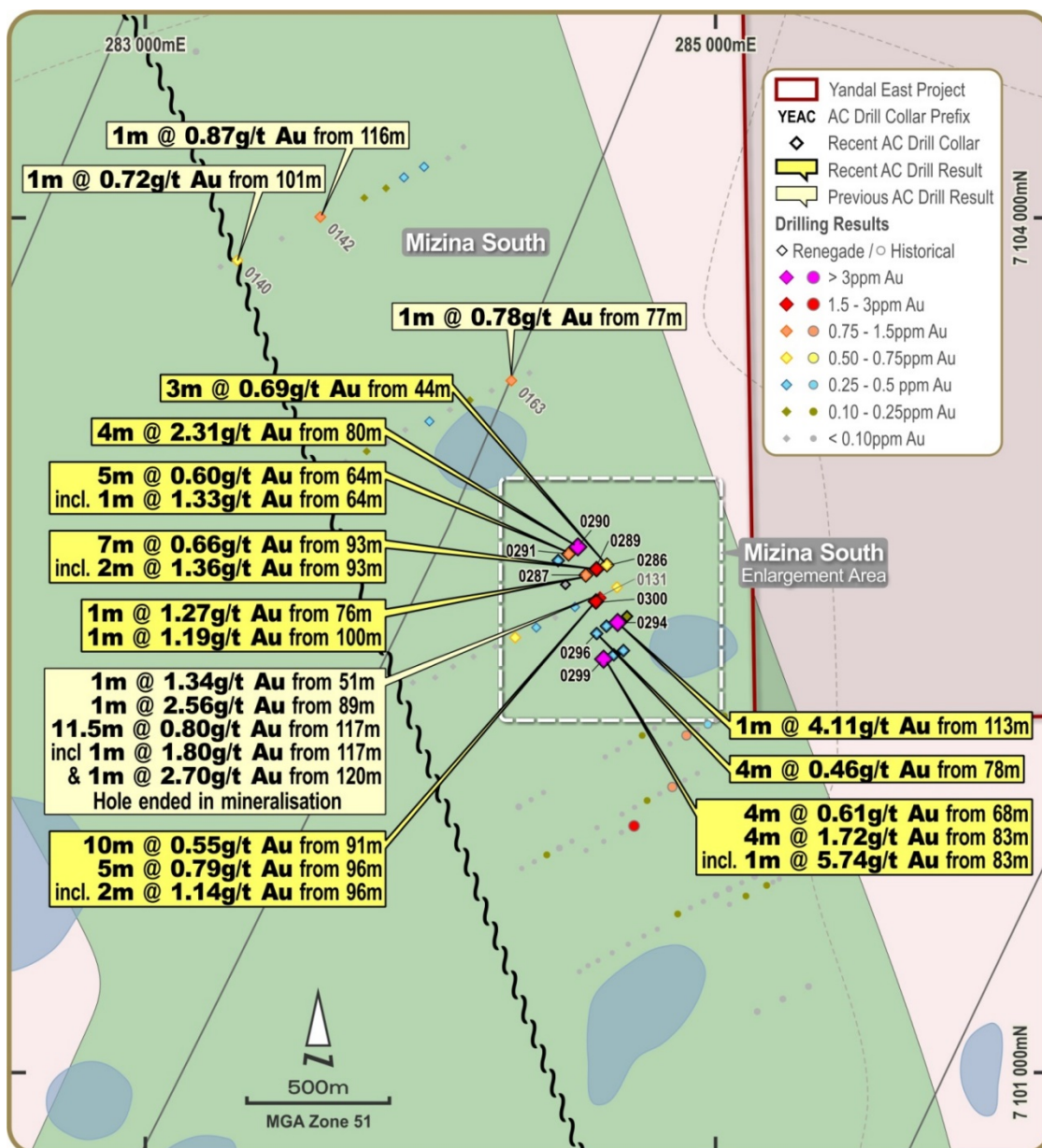


Figure 4. Location of drilling and significant intercepts at Mizina South



## Directors' Report

The original Mizina target was 7km long extending between the known mineralised areas of Ward and Cowza along the same regional structure, the Celia Shear. The area has an abundance of cross cutting structures, geological complications and disruptions in magnetic features.

The July drilling identified significant mineralisation at Mizina South including YEAC0131 that contained abundant sulphides and quartz veining over the last 30m of the hole and returned multiple assays over 1 g/t Au from 51m depth until the hole terminated in mineralisation at 128.5m a width of 75m downhole.

The final 11.5m returned an average grade of 0.80 g/t Au with individual metres up to 2.74 g/t Au.

The November program has successfully delineated high grade mineralisation over 400m at Mizina South with values of 5.74 g/t and 4.11 g/t Au intercepted 200m and 100m south of YEAC0131. In addition 4m @ 2.31 g/t Au was intercepted 200m north of YEAC0131 with 2m @ 1.36 g/t Au 100m north. Mineralisation at Mizina South remains open in both directions with the potential for the discovery of high grade mineralisation in both directions. The Company is excited about the developing potential of the Mizina South and the greater Mizina area and looks forward to completing further work in 2019.

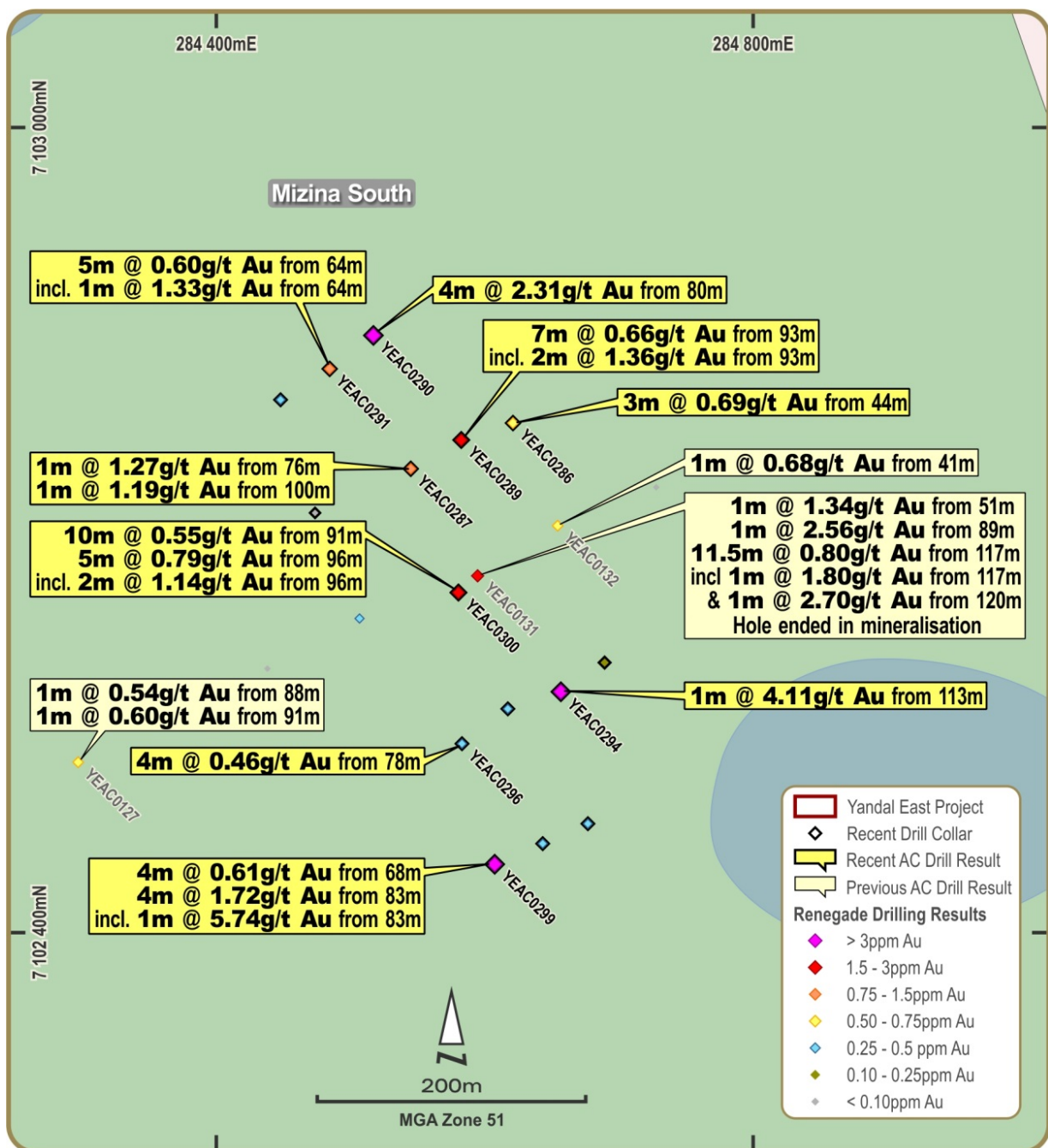


Figure 5. Enlargement of drilling and significant intercepts at Mizina South

## Millrose Extension

Millrose Extension was first drilled in mid-2018 when three lines separated by over 800m of strike length were completed, as shown in Figure 6. The northern most line intersected significant disseminated sulphides towards the base of several holes before YEAC0246 intersected mineralisation, with 2m @ 0.99 g/t Au from 87m returned from quartz veining within a silicified felsic schist and 4m @ 0.31 g/t Au from 72m further up hole. The hole ended in mineralisation and the hole immediately to the east encountered granite relatively shallow.

A total of 40 holes for 4,159m have been completed with the best result from the November drilling 1m @ 0.8 g/t Au from 102m on the southern-most line 200m south of the original mineralisation identified in July.

Millrose Extension remains a geologically interesting area with sulphide-bearing mafic schists, felsic schists and both silicification and quartz veining increasing towards a granite body. The internal granite may be an important control on mineralising fluids in the area. Mineralisation elsewhere in the region is located proximal to granite contacts, including the Millrose Deposit itself. The original target was chosen due to its proximity to the Millrose Deposit, the Celia Shear and other structural complexities. The Millrose Deposit is held by Bowlane Nominees (WA) Limited and contains 309,000 oz of gold @ 2.4 g/t gold.

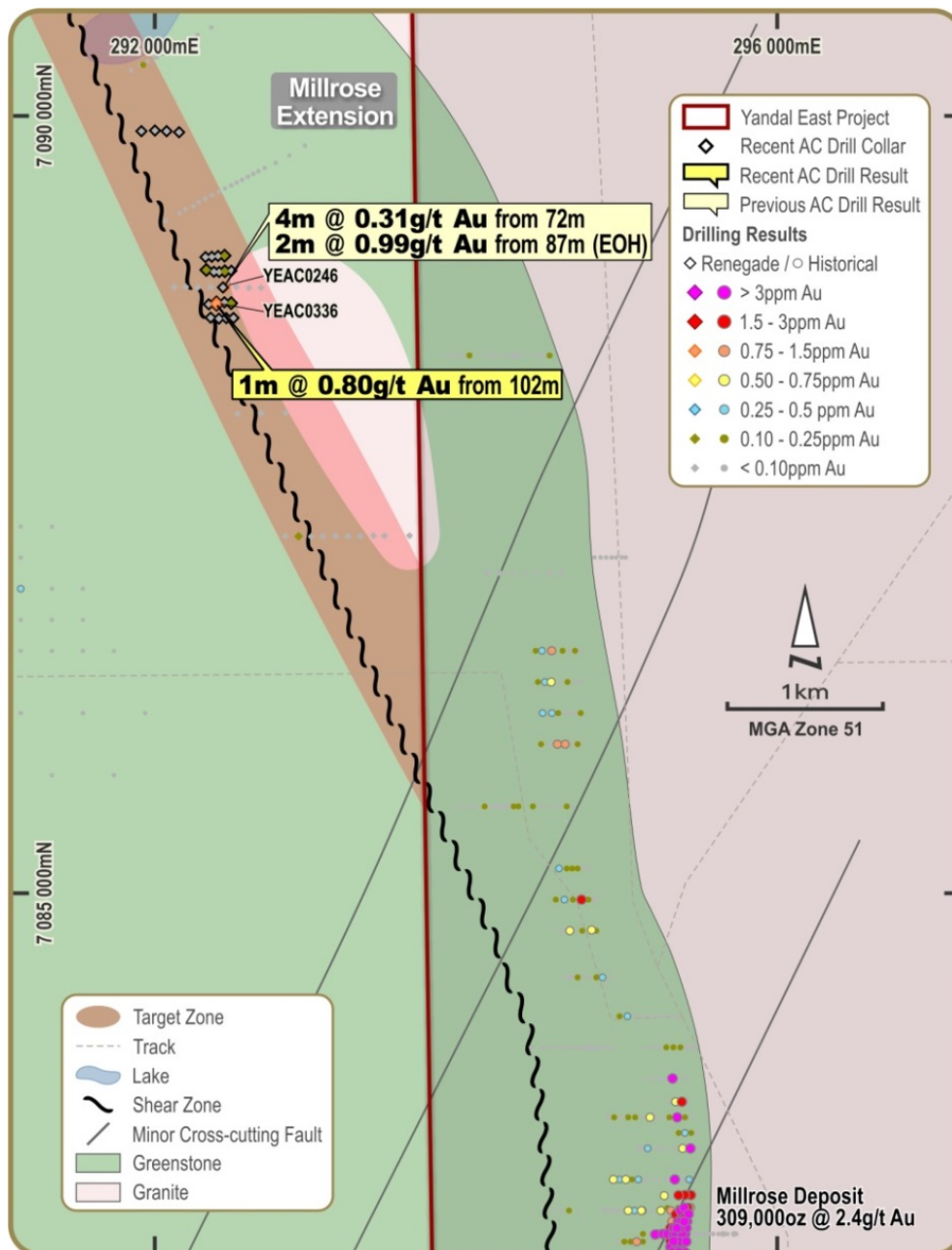


Figure 6. Location of drilling and significant intercepts at Millrose Extension

### McCleery Copper-Cobalt Project

During the period the Company divested the McCleery Copper-Cobalt project via the sale of its wholly owned subsidiary Overland Resources (BC) Limited to Rafaella Resources Limited (Rafaella). In total the Company received \$50,000 in cash and \$100,000 in shares (500,000 shares) in Rafaella who listed on the ASX during July 2018.

### Yukon Base Metal Project

The Yukon Project is in the process of permit roll over and the Company is currently working with the Yukon Mines Department and stakeholders to progress and finalise this. Subject to final approvals, the permits will be granted for a further five years.

The Company continues to assess various options to create the best outcome for this project.

### Significant Events after the Reporting date

The directors are not aware of any material significant events after the reporting date.

### Corporate

The Company had 712,626,638 ordinary shares on issue and the equivalent funds of A\$1.37M at bank as of 31 December 2018.

The Company manages its costs in accordance with the projects it holds and the requirements these projects have for either management or exploration funds. In December the Company CEO, Ben Vallerine, left the Company to take personal time and is now retained on an as required basis to provide services to the Company's two projects. The Company engages external consultants with specific experience to its projects who provide in depth advice as to how these projects are best managed.

The Company continues to assess new opportunities presented. The board remains focused on gold and base metal projects.

### Competent Person Statement

The information in this report that relates to exploration results for the Yandal East Gold Project is based on information compiled by Mr Ben Vallerine, who is a consultant to the Company. Mr Vallerine is a Member of the Australian Institute of Geoscientists. Mr Vallerine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results (JORC Code). Mr Vallerine consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Yukon Base Metal Project is based on information compiled by Mr Peter Ball who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ball is the Manager of Data Geo. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Previously Reported Results

There is information in this report relating to exploration results which were previously announced on 18 January 2019, 30 July 2018, 14 September 2018 and 2 March 2018. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

## Directors' Report

**Table 1 Mining Claims / Tenements held at 31 December 2018**

<b>Australian Projects</b>	<b>Tenement Number</b>	<b>Tenement Type</b>	<b>Type of Interest</b>	<b>Interest at Start of Quarter</b>	<b>Interest at End of Quarter</b>
Yandal East Gold Project	E53/1547	Exploration Licence	Option to acquire	75%	75%
	E53/1548	Exploration Licence	Option to acquire	75%	75%
	E53/1726	Exploration Licence	Option to acquire	75%	75%
	E53/1835	Exploration Licence	Option to acquire	75%	75%
	E53/1970	Exploration Licence Application	Option to acquire	75%	75%
	E53/1971	Exploration Licence	Contractual Owner	100%	100%
<b>Canadian Projects</b>	<b>Claim Name</b>	<b>Claim Numbers</b>	<b>Type of Interest</b>	<b>Interest at Start of Quarter</b>	<b>Interest at End of Quarter</b>
Yukon Base Metal Project	A	1-8, 57-104	Claim owner	90%	90%
	AMB	1-112, 115-116, 123-150	Claim owner	90%	90%
	AMBfr	117-122, 151-162	Claim owner	90%	90%
	Andrew	1-10	Claim owner	90%	90%
	Atlas	1-6	Claim owner	90%	90%
	B	53, 55, 57, 59, 61, 63, 65-74, 79-100, 105-126	Claim owner	90%	90%
	B	127-194	Claim owner	100%	100%
	Bridge	1-8, 11-16, 19-32	Claim owner	90%	90%
	Clear	1-25	Claim owner	100%	100%
	Dasha	1-6	Claim owner	90%	90%
	Data	1-320	Claim owner	100%	100%
	Link	1-231	Claim owner	100%	100%
	Myschka	1-17, 19-96	Claim owner	90%	90%
	Ozzie	1-32	Claim owner	90%	90%
	Riddell	1-80	Claim owner	100%	100%
	Scott	1-36	Claim owner	90%	90%
	Shack	1-5	Claim owner	100%	100%
	Sophia	1-4	Claim owner	90%	90%
TA	1-332	Claim owner	100%	100%	

## Directors' Report

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### Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International Audit and Consulting 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 12 and forms part of this directors' report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'R Kirtlan', with a long horizontal stroke extending to the right.

**Robert Kirtlan**

Chairman

15 March 2019

15 March 2019

Board of Directors  
Renegade Exploration Limited  
Suite 5, Level 1, 12-20 Railway Road  
SUBIACO WA 6008

Dear Directors

**RE: RENEGADE EXPLORATION LIMITED**

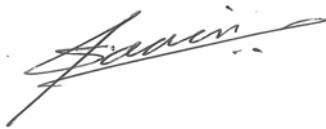
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Renegade Exploration Limited.

As Audit Director for the review of the financial statements of Renegade Exploration Limited for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Samir Tirodkar**  
**Director**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2018**

	Notes	Consolidated	
		31 December 2018	31 December 2017
		\$	\$
<b>Revenues from operations</b>			
Interest revenue		21,252	2,636
Government grant received		150,000	-
Gain on sale of subsidiary	4	86,537	3,060
<b>Revenue</b>		<b>257,789</b>	<b>5,696</b>
<b>Expenses</b>			
Consultants, directors and employee benefits	5	(92,399)	10,026
Audit and tax fees		(17,389)	(13,678)
Insurance		(17,824)	(4,421)
Accounting fees		(11,360)	(37,300)
Computer and website expenses		(504)	(15,230)
Occupancy expenses		(10,989)	(17,092)
Travel and accommodation		(17,271)	(5,617)
Listing and registry fees		(39,376)	(23,754)
Legal expenses		-	(31,440)
Exploration expenditure written off	9	(1,330)	(350,120)
Loss on revaluation of financial asset	6	(59,000)	-
Other expenses	7	(11,994)	(5,763)
<b>Loss from operations before income tax</b>		<b>(21,647)</b>	<b>(488,693)</b>
Income tax expense		-	-
<b>Loss from operations after tax attributable to members of Renegade Exploration Limited</b>		<b>(21,647)</b>	<b>(488,693)</b>
<b>Other comprehensive profit/(loss) net of tax</b>			
<i>Items that cannot be reclassified to profit or loss</i>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		41,043	31,669
<b>Other comprehensive profit/(loss) for the half year</b>		<b>41,043</b>	<b>31,669</b>
<b>Total comprehensive (loss) for the half year attributable to the members of Renegade Exploration Limited</b>		<b>19,396</b>	<b>(457,024)</b>
Loss per share:			
Basic loss per share (cents per share)		(0.003)	(0.09)
Diluted loss per share (cents per share)		(0.003)	(0.09)

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

**Consolidated Statement of Financial Position as at 31 December 2018**

	Notes	Consolidated	
		31 December 2018	30 June 2018
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,375,379	2,280,396
Trade and other receivables		32,395	29,264
Prepayments		20,961	46,829
Financial assets / Investment	6	41,000	-
Assets classified as held for sale		-	17,168
<b>Total current assets</b>		<b>1,469,735</b>	<b>2,373,657</b>
<b>Non-current assets</b>			
Property, plant and equipment		154,202	158,576
Other receivables		-	228,330
Capitalised exploration and evaluation expenditure	9	3,099,003	2,260,374
<b>Total non-current assets</b>		<b>3,253,205</b>	<b>2,647,280</b>
<b>TOTAL ASSETS</b>		<b>4,722,940</b>	<b>5,020,937</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		262,000	347,146
Liabilities classified as held for sale		-	3,917
<b>Total current liabilities</b>		<b>262,000</b>	<b>351,063</b>
<b>Non-current liabilities</b>			
Provisions		-	228,330
<b>Total non-current liabilities</b>		<b>-</b>	<b>228,330</b>
<b>TOTAL LIABILITIES</b>		<b>262,000</b>	<b>579,393</b>
<b>NET ASSETS</b>		<b>4,460,940</b>	<b>4,441,544</b>
<b>EQUITY</b>			
Contributed equity	10	44,012,408	44,012,408
Reserves	11	3,608,911	3,567,868
Accumulated losses		(43,160,379)	(43,138,732)
<b>TOTAL EQUITY</b>		<b>4,460,940</b>	<b>4,441,544</b>

*The consolidated statement of financial position should be read in conjunction with the condensed notes.*



**Consolidated Statement of Changes in Equity for the half-year ended 31 December 2018**

	<b>Contributed Equity</b>	<b>Accumulated Losses</b>	<b>Share Based Payment Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Total</b>
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July 2018	44,012,408	(43,138,732)	4,118,528	(550,660)	4,441,544
(Loss) for the period	-	(21,647)	-	-	(21,647)
Other comprehensive Income	-	-	-	41,043	41,043
<b>Total comprehensive (loss)/Income for the period</b>	<b>-</b>	<b>(21,647)</b>	<b>-</b>	<b>41,043</b>	<b>19,396</b>
<b>Transactions with owners in their capacity as owners</b>					
Share Issue	-	-	-	-	-
Transaction costs on share issue	-	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>44,012,408</b>	<b>(43,160,379)</b>	<b>4,118,528</b>	<b>(509,617)</b>	<b>4,460,940</b>
At 1 July 2017	42,063,930	(42,271,842)	3,855,028	(571,983)	3,075,133
(Loss) for the period	-	(488,693)	-	-	(488,693)
Other comprehensive Income	-	-	-	31,669	31,669
<b>Total comprehensive (loss)/Income for the period</b>	<b>-</b>	<b>(488,693)</b>	<b>-</b>	<b>31,669</b>	<b>(457,024)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share Issue	100,075	-	-	-	100,075
Transaction costs on share issue	(1,838)	-	-	-	(1,838)
<b>Balance at 31 December 2017</b>	<b>42,162,167</b>	<b>(42,760,535)</b>	<b>3,855,028</b>	<b>(540,314)</b>	<b>2,716,346</b>

*The consolidated statement of changes in equity should be read in conjunction with the company's condensed notes.*

**Consolidated Statement of Cash Flows for the half-year ended 31 December 2018**

Notes	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(278,806)	(225,943)
Interest received	18,649	2,636
Other income	150,000	-
<b>Net cash flows used in operating activities</b>	<u>(110,157)</u>	<u>(223,307)</u>
<b>Cash flows from investing activities</b>		
Payments for expenditure on exploration	(794,860)	(88,467)
Proceeds from sale of property, plant & equipment	-	3,060
<b>Net cash flows used in investing activities</b>	<u>(794,860)</u>	<u>(85,407)</u>
<b>Cash flows from financing activities</b>		
Transaction costs from issue of shares	-	(1,838)
<b>Net cash flows used in financing activities</b>	<u>-</u>	<u>(1,838)</u>
Net decrease in cash and cash equivalents	(905,017)	(310,552)
Cash and cash equivalents at beginning of period	2,280,396	1,130,659
<b>Cash and cash equivalents at end of period</b>	<u>1,375,379</u>	<u>820,107</u>

*The consolidated statement of cash flows should be read in conjunction with the company's condensed notes.*

## 1. Corporate Information

The financial report of Renegade Exploration Limited (“Renegade” or “the Company”) and its subsidiaries (“the Group”) for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2019.

Renegade Exploration Limited is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements are presented in Australian dollars (\$).

During the half year ended 31 December 2018, the principal activity was mineral exploration. The Group holds a base metals project in Canada and an option to acquire a gold project in Western Australia.

## 2. Basis of Preparation and Accounting Policies

### Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report does not include all 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 consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by Renegade Exploration Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

### Going Concern

This 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 net loss after tax for the half-year ended 31 December 2018 of \$21,647 (2017: \$488,693) and experienced net cash outflows of \$905,017 (2017: \$310,552). At 31 December 2018, the Group had net current assets of \$1,207,735 (June 2018: \$2,022,594).

The Directors have reviewed the Group’s financial position and are of the opinion that the use of the going concern basis of accounting is appropriate on the basis that the Group has been successful to date in securing required funding and the Directors are of the opinion that it will continue to do so through a combination of debt and equity. The Directors are currently assessing options for additional funding.

Should the Group not be able to secure additional funds, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except as noted below.

## **Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards and Renegade Exploration Limited is required to change some of its accounting policies as a result of new or revised accounting standards which became effective from 1 January 2018. The affected policies and standards are:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

## **New and amended standards adopted by the Group**

### **AASB 9 Financial Instruments**

The Group has adopted AASB 9 from 1 July 2018 because the new accounting standard provides more relevant information to users of the financial report, in that it introduces new requirements for the classification and measurement of financial assets and financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets and liabilities as compared to the requirements of AASB 139. The new standard is effective for annual reporting periods beginning on or after 1 January 2018.

The adoption of AASB 9 now requires the Group to account for impairment losses on financial assets through a forward-looking expected credit loss (ECL) approach. For trade and other receivables, the Group has applied the standard's simplified approach for calculating ECLs based on lifetime expected credit losses. This did not result in the recognition of a material impairment loss on the Group's receivable. There were no changes to the Group's other financial liabilities.

Due to the nature of the Group's financial assets and liabilities, the adoption of AASB 9 did not result in a significant impact to any transactions or balances recognised in the financial statements at 31 December 2018.

The Group has elected to account for its investment in Raffaella Resources Limited at fair value through the profit or loss (FVTPL).

### **AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;
- provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

Based on the Group's current assessment, the standard has not had a material impact on the transactions and balances recognised in the financial statements as the Group is not currently in production and therefore does not generate operating revenue.

## **New Accounting Standards for Application in Future Period**

### **AASB 16 Leases**

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. In summary, AASB 16:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

The Group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Group's preliminary assessment, the standard is not expected to have a material impact on the transactions and

**Renegade Exploration Limited**  
**Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018**

balances recognised in the financial statements. The Group's current lease obligations consist of leases on office premises in Perth, Western Australia.

**Deconsolidation of Subsidiary**

Subsidiaries are entities controlled by the company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. As a result of the sale of its wholly owned subsidiary, Renegade derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. During the half year, the Group sold the McCleery Project and deconsolidated its Canadian subsidiary. The net gain on sale of subsidiary recognised in profit or loss, amounted to \$86,537 as disclosed in Note 4.

**Grant Revenue**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

**3. Segment Reporting**

For management purposes, the Group is organised into two geographical operating segments, Australia and Canada which involves mineral exploration. All of the Group's activities are interrelated, and discrete financial information is reported to the Chief Executive Officer (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. The Group operates in Australia and Canada. As at 31 December 2018, the following table shows the assets and liabilities of the Group by geographical region:

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Australia	1,466,081	2,363,444
Canada	3,653	10,213
<b>Non-Current Assets</b>		
Australia	1,506,102	1,933,287
Canada	1,747,104	713,993
<b>Total Assets</b>	<b>4,722,940</b>	<b>5,020,937</b>
<b>Current Liabilities</b>		
Australia	261,792	336,347
Canada	208	14,716
<b>Non-Current Liabilities</b>		
Australia	-	-
Canada	-	228,330
<b>Total Liabilities</b>	<b>262,000</b>	<b>579,393</b>

**Renegade Exploration Limited****Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018**

<b>Segment Results</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Profit/(Loss) for the period</b>		
Australia	1,924	(480,490)
Canada	(23,571)	(8,203)
<b>Total Loss for the period</b>	<b>(21,647)</b>	<b>(488,693)</b>

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>4. Gain on sale of Subsidiary</b>		
Fair value of Consideration received	100,000	-
Less: Net Assets of the subsidiary as at date of sale	(13,463)	-
<b>Gain on sale of subsidiary</b>	<b>86,537</b>	<b>-</b>

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>5. Consultants, directors and employee benefits</b>		
Consultants fees (1)	41,009	(26,625)
Directors fees	44,000	9,600
Employee benefits	7,390	6,999
<b>Total consultants, directors and employee benefits</b>	<b>92,399</b>	<b>(10,026)</b>

(1) During the comparative prior period, the Company withdrew from the Trojan Gold Project and accordingly reversed an accrual of \$90,000, that had been previously recognised in relation to a Finder's Fee in the form of 15 million performance shares. The performance shares had not been issued and are no longer capable of converting to fully paid ordinary shares following the withdrawal from the project.

	<b>Consolidated</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>6. Financial Assets/Investment</b>		
<b>Carrying value of Financial assets (Note 6.1)</b>	<b>41,000</b>	<b>-</b>

## Renegade Exploration Limited

### Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018

	31 December 2018		30 June 2018	
	Number of shares	\$	Number of shares	\$
<b>6.1 Movements in financial assets</b>				
Balance at beginning of period	-	-	-	-
Investment in quoted securities (Note 6.2)	500,000	100,000	-	-
Fair value adjustment	-	(59,000)	-	-
<b>Balance at end of period</b>	<b>500,000</b>	<b>41,000</b>	-	-

6.2: During the period the company divested the McCleery Copper – Cobalt project via the sale of its wholly owned subsidiary Overland Resources (BC) Limited to Rafaella Resources Limited (Rafaella). Company received \$100,000 in shares (500,000 shares) in Rafaella which listed on the ASX during July 2018. The investment has been classified as Fair Value through profit or loss.

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
<b>7. Other Expenditure</b>		
General office expenses	1,084	300
Printing and stationery	208	3,651
Telecommunications	-	932
Others	10,702	880
<b>Total other expenditure</b>	<b>11,994</b>	<b>5,763</b>

## 8. Commitments and Contingencies

### Yandal East Gold Project

During September 2017, the Company entered into a binding agreement with Zebina Minerals Pty Ltd (“Zebina”) for an option to acquire 75% of the Yandal East Gold Project on or before 8 April 2019. The option terms are as follows:

#### *Earn-in Phase:*

1. On 9 October 2017, Renegade issued Zebina 16,568,498 fully paid ordinary shares at a deemed price \$0.00604 for the value of A\$100,075 (“Option Shares”).
2. On 19 January 2018, Renegade issued Zebina 16,568,498 unlisted options, exercisable at \$0.00754 and expiring 19 January 2020. (“Options”).
3. Renegade is required to undertake A\$350,000 worth of expenditure on the Project within the 18-month option period ending 8 April 2019.

## Renegade Exploration Limited

### Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018

#### Execution Phase:

4. Upon issuance of its notice of intent to exercise the option Renegade will issue Zebina an additional A\$400,000 of RNX shares, at a 10% discount to the 20-day VWAP prior to notice of intent. 50% of the shares will be escrowed for 6 months, the balance will be escrowed for 12 months.

Upon exercise of the Option, Renegade and Zebina will enter into an incorporated exploration joint venture whereby:

1. Zebina retains a 25% free-carried interest, whilst Renegade as the JV operator will continue to fund any exploration and pre-development activities.
2. Once a decision to mine is made over a defined area or resource this area will be excised from the exploration JV and a mining JV created over the mining area at the same ratio. Zebina will be required to contribute to the development expenditure on a pro-rated basis. The exploration JV will remain active over the remainder of the Yandal East Gold Project.
3. Should Zebina choose not to contribute their interest will be diluted, should they dilute to less than 5% its JV interest shall automatically convert to a 1% royalty.

#### 9. Capitalised Exploration and Evaluation Expenditure

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
<b>Exploration and evaluation</b>		
At cost	35,276,116	34,144,501
Accumulated provision for impairment	(32,177,113)	(31,884,127)
Total exploration and evaluation	<b>3,099,003</b>	<b>2,260,374</b>
Carrying amount at beginning of the period	2,260,374	1,871,201
Exploration expenditure during the half-year	802,856	742,989
Impairment/written off	(1,330)	(355,631)
Reclassified as assets held for sale	-	(17,168)
Net exchange differences on translation	37,103	18,983
<b>Carrying amount at end of period</b>	<b>3,099,003</b>	<b>2,260,374</b>

The recoverability of the carrying amount of the capitalised exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

#### 10. Contributed Equity

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid	<b>44,012,408</b>	<b>44,012,408</b>



**Renegade Exploration Limited**
**Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018**

	31 December 2018		30 June 2018	
	Number of shares	\$	Number of shares	\$
<b>(b) Movements in ordinary shares on issue</b>				
Balance at beginning of period	712,626,638	44,012,408	712,626,638	44,012,408
<b>Balance at end of period</b>	<b>712,626,638</b>	<b>44,012,408</b>	<b>712,626,638</b>	<b>44,012,408</b>

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
<b>11. Reserves</b>		
Share based payments reserve 11(a)	4,118,528	4,118,528
Foreign currency translation reserve 11(b)	(509,617)	(550,660)
	<b>3,608,911</b>	<b>3,567,868</b>
<b>Movement in reserves:</b>		
<i>a) Share based payments reserve</i>		
Balance at beginning of period	4,118,528	3,855,028
Equity benefits expense	-	263,500
<b>Balance at end of period</b>	<b>4,118,528</b>	<b>4,118,528</b>

The share-based payments reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and provided to brokers/consultants as a fee for services provided and as consideration for the Yandal East Project Option.

	6 months ended	12 months ended
	31 December 2018	30 June 2018
	\$	\$
<i>b) Foreign currency translation reserve</i>		
Balance at beginning of period	(550,660)	(571,983)
Foreign currency translation	41,043	21,323
<b>Balance at end of period</b>	<b>(509,617)</b>	<b>(550,660)</b>

## Renegade Exploration Limited

### Condensed Notes to the Consolidated financial statements for the half-year ended 31 December 2018

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#### 12. Share Based Payments

##### (a) Recognised share based payments

	Consolidated	
	6 months ended 31 December 2018	6 months ended 31 December 2017
	\$	\$
Share based payments capitalised	-	100,075
<b>Total share-based payments</b>	<b>-</b>	<b>100,075</b>

#### 13. Dividends

No dividends have been paid or provided for during the half-year (2018: \$Nil).

#### 14. Events after the Reporting Date

No matters or circumstances have arisen since 31 December 2018, 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.

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Renegade Exploration Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;
  - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Robert Kirtlan  
Chairman  
15 March 2019

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
RENEGADE EXPLORATION LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Renegade Exploration Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Renegade Exploration Limited (the consolidated entity). The consolidated entity comprises both Renegade Exploration Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Renegade Exploration Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 consolidated entity's financial position as at 31 December 2018 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*. As the auditor of Renegade Exploration Limited, 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*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*, has been provided to the directors of Renegade Exploration Limited on 15 March 2019.

*Conclusion*


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 Renegade Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Emphasis of Matter on Material Uncertainty Regarding Carrying Values of Non-current Assets**

The recoverability of the Consolidated Entity's carrying value of Capitalised Exploration and Evaluation Expenditure of \$3,099,003 and Property, Plant and Equipment of \$154,202 as at 31 December 2018 is dependent on the successful commercial exploitation of the assets and / or sale of the assets to generate proceeds equivalent to or in excess of the book values. In the event that the Consolidated Entity is not successful in commercial exploitation and / or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values. Our conclusion is not modified in respect of this matter.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD  
(Trading as Stantons International)  
(An Authorised Audit Company)**

*Stantons International Audit and Consulting Pty Ltd*  


**Samir Tirodkar  
Director**

West Perth, Western Australia  
15 March 2019