



RIEDEL
RESOURCES

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

FINANCIAL REPORT FOR THE HALF YEAR ENDED
31 DECEMBER 2020

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

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RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

CORPORATE DIRECTORY

DIRECTORS

Michael Bohm
Grant Mooney
Scott Cuomo
Jason Pater

COMPANY SECRETARY

Grant Mooney

REGISTERED & PRINCIPAL OFFICE

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WEST PERTH WA 6005

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AUDITORS

PKF Perth
Level 4, 35 Havelock Street
WEST PERTH WA 6005

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

DIRECTORS' REPORT

Your Directors submit the financial report of Riedel Resources Limited (the Company) and controlled entities (the consolidated entity) for the half year ended 31 December 2020.

DIRECTORS

The names of the directors in office at any time during or since the end of the period are:

Michael Bohm (appointed 11 December 2020)
Grant Mooney (appointed 31 October 2018)
Alexander Sutherland (appointed 26 July 2017, resigned 11 December 2020)
Scott Cuomo (appointed 26 July 2017)
Jason Pater (appointed 1 February 2021)

COMPANY SECRETARY

Grant Mooney

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was mineral exploration.

OPERATING RESULTS

The net loss of the consolidated entity for the financial period after provision for income tax was \$3,027,376 (2019: \$161,234 loss).

REVIEW OF OPERATIONS

Exploration

Kingman Gold Silver Project

During the Period, Riedel entered into an Agreement to acquire up to an 80% interest in the Kingman Gold Silver Project, located in the north-west of Arizona, approximately 145 kilometres from Las Vegas and within 5km of US Highway 93. The project comprises 195 highly prospective unpatented contiguous lode claims.

The Kingman Project comprises multiple outcropping exploration targets open both along strike and at depth. Despite being mined during the 1880's and the early 1900's, very little modern exploration work has been carried out and several historic mining areas have never been drill tested.

Marymia Gold Copper Project

The Company maintained its 18.93% interest in the Marymia Gold and Copper Project at 31 December 2020. Norwest Minerals Limited (ASX: NWM) reported that no work was undertaken on the project during the period.

Corporate

Riedel raised \$2 million at an issue price of \$0.0055 per share. The funds raised will be used to fund the 5,000 metre drill program at the Kingman Project commencing early 2021 and for general working capital purposes.

The Company received a VAT Refund totalling \$219,000 from the Spanish Taxation Authorities. This amount was carried as a receivable in the Company's 2020 Annual Financial Report.

RIEDEL RESOURCES LIMITED
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DIRECTORS' REPORT

Mr Michael Bohm joined the Board of Riedel as Chair in December 2020. Mr Bohm is a graduate of the WA School of Mines and brings to the Board extensive experience as a mining professional with extensive corporate and operational management skills in the minerals industry. Michael is currently a director of Ramelius Resources Limited (ASX:RMS), Mincor Resources NL (ASX:MCR) and is Chair of Cygnus Gold Limited (ASX:CY5).

Contemporaneously with the appointment of Michael Bohm, Alexander (Sandy) Sutherland retired from the Board.

SIGNIFICANT CHANGE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half year, other than as stated in the review of operations.

EVENTS SUBSEQUENT TO REPORTING DATE

On 29 January 2021, a 5,000 metre RC drilling program commenced at the Kingman Gold Silver Project with first assay results expected during second-half of March 2021. The 5,000m drill program is anticipated to be completed in early-April with assay results anticipated from late-March through until May 2021.

On 29 January 2021 Mr Jason Pater was appointed as a non-executive director of the Company.

Other than those mentioned above, there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half year ended 31 December 2020.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

On behalf of the Directors



Michael Bohm
Non-executive Chairman

Date: 15 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RIEDEL RESOURCES LIMITED**

In relation to our review of the financial report of Riedel Resources Limited for the half year ended 31 December 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

Simon

**SIMON FERMANIS
PARTNER**

15 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA

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RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Revenue	4		
Interest revenue		198	930
Other income		9,267	-
		<u>9,465</u>	<u>930</u>
 Expenses			
Administration expenses		(89,247)	(103,281)
Depreciation expense		-	(444)
Employee benefits expense		(111,650)	(47,850)
Foreign exchange expenses		-	(38)
Share based payments		(2,775,000)	-
Write-off of exploration and evaluation expenditure		(60,944)	(10,551)
		<u>(3,027,376)</u>	<u>(161,234)</u>
Profit/(Loss) before income tax		(3,027,376)	(161,234)
Income tax expense		-	-
		<u>(3,027,376)</u>	<u>(161,234)</u>
Profit/(Loss) for the period		(3,027,376)	(161,234)
 Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation reserves		(2,246)	(644)
Other comprehensive income (net of tax)		<u>(3,029,624)</u>	<u>(161,878)</u>
 Total comprehensive income/(loss) for the period		(3,029,624)	(161,878)
 Basic earnings/(loss) per share (cents per share)		(0.65)	(0.04)
Diluted earnings/(loss) per share (cents per share)		(0.65)	(0.04)

The accompanying condensed notes form part of these financial statements.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,825,800	885,629
Trade and other receivables	6	10,391	254,571
TOTAL CURRENT ASSETS		2,836,191	1,140,200
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	7	1,171,389	780,810
TOTAL NON-CURRENT ASSETS		1,171,389	1,670,775
TOTAL ASSETS		4,007,580	1,921,010
CURRENT LIABILITIES			
Trade and other payables		48,168	23,806
TOTAL CURRENT LIABILITIES		48,168	23,806
TOTAL LIABILITIES		48,168	23,806
NET ASSETS		3,959,412	1,897,204
EQUITY			
Issued capital	8	21,553,927	19,237,097
Equity based payments reserve	9	2,809,800	34,800
Foreign currency translation reserve		(2,370)	(124)
Accumulated losses		(20,401,945)	(17,374,569)
TOTAL EQUITY		3,959,412	1,897,204

The accompanying condensed notes form part of these financial statements.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	19,237,097	(124)	34,800	(17,374,569)	1,897,204
Profit/(loss) for the period	-	(2,246)	-	(3,027,376)	(3,029,622)
Total comprehensive loss for the period	19,237,097	(2,370)	34,800	(20,401,945)	(1,132,418)
<i>Transactions with owners, recorded directly in equity</i>					
Issue of shares	2,330,000	-	-	-	2,330,000
Share issue costs	(13,170)				(13,170)
Issue of options	-	-	2,775,000	-	2,775,000
Balance at 31 December 2020	21,553,927	(2,370)	2,809,800	(20,401,945)	3,959,412
Balance at 1 July 2019	19,237,097	(2,015)	34,800	(16,240,583)	3,029,299
Profit/(loss) for the period	-	(644)	-	(161,234)	(161,878)
Total comprehensive loss for the period	19,237,097	(2,659)	34,800	(16,401,817)	2,867,421
<i>Transactions with owners, recorded directly in equity</i>					
Issue of options	-	-	-	-	-
Balance at 31 December 2019	19,237,097	(2,659)	34,800	(16,401,817)	2,867,421

The accompanying condensed notes form part of these financial statements.

RIEDEL RESOURCES LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$	31 December 2019 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(142,089)	(134,331)
Payments for exploration and evaluation written off		(60,944)	(17,203)
VAT refund		219,000	-
Interest received		198	930
		<hr/>	<hr/>
Net cash used in operating activities		16,165	(150,604)
		<hr/>	<hr/>
Cash Flows from Investing Activities			
Payments for exploration and evaluation capitalised		(60,579)	-
		<hr/>	<hr/>
Net cash provided by investing activities		(60,579)	-
		<hr/>	<hr/>
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,000,000	-
Payments for share issue costs		(13,169)	-
		<hr/>	<hr/>
Net cash provided by financing activities		1,986,831	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents held		1,942,417	(150,604)
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the reporting period		885,629	1,152,720
Effects of foreign exchange		(2,246)	(9,624)
		<hr/>	<hr/>
Cash and cash equivalents at end of the reporting period	5	<u>2,825,800</u>	<u>992,492</u>

The accompanying condensed notes form part of these financial statements

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 1: REPORTING ENTITY

Riedel Resources Limited (the "Company") is a Company domiciled in Australia.

The address of the Company's registered office is Suite 4, 6 Richardson Street, West Perth WA 6005. The half year consolidated financial statements of the Company as at and for the six months ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Group primarily is involved in mining and exploration activity.

The financial statement were authorised for issue in accordance with a resolution of directors dated on 15 March 2021.

NOTE 2: BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Riedel Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

b) Basis of preparation

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new and revised standards effective 1 July 2020 outlined in Note 1(c) below.

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

c) New, Adoption of new and revised Accounting Standards

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. There is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

d) New or revised accounting standards and interpretations not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

e) Operating segments

From 1 July 2020, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the consolidated entity's chief operating decision maker which, for the consolidated entity, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the half year consolidated financial report have been included where applicable.

f) Going Concern

The interim report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Notwithstanding the fact that the Group incurred a loss before tax of \$3,027,376 for the half-year ended 31 December 2020, which included a \$2,775,000 in non-cash share based expense and a net cash inflow from operating activities amounting to \$16,166, which included a historical VAT return of \$219,000, the Directors are of the opinion that the Group is a going concern as the Directors anticipate that an equity raising will be completed in mid 2021.

Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Company will be available to realise its assets and extinguish its liabilities in the normal course of business.

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 3: OPERATING SEGMENTS

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

31 December 2020	Australia	Spain	Unallocated	Total
	\$	\$	\$	\$
Revenue	9,465	-	-	9,465
Net profit/(loss) before tax	(3,021,610)	(5,766)	-	(3,027,376)
Reportable segment assets	3,801,733	205,848	-	4,007,580
Reportable segment liabilities	48,134	34	-	48,168
31 December 2019	Australia	Spain	Unallocated	Total
	\$	\$	\$	\$
Revenue	930	-	-	930
Net profit/(loss) before tax	(153,555)	(7,679)	-	(161,234)
30 June 2020	Australia	Spain	Unallocated	Total
	\$	\$	\$	\$
Reportable segment assets	828,178	221,862	870,970	1,921,010
Reportable segment liabilities	23,321	484	-	23,806

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 4: LOSS FROM ORDINARY ACTIVITIES

	31 December 2020	31 December 2019
	\$	\$
Revenue		
Interest revenue	198	930
Other income	9,267	-
	9,465	930

NOTE 5: CASH AND CASH EQUIVALENTS

	31 December 2020	30 June 2020
	\$	\$
Cash on hand	-	312
Cash at bank	2,825,800	885,317
	2,825,800	885,629

NOTE 6: TRADE AND OTHER RECEIVABLES

	31 December 2020	30 June 2020
	\$	\$
Trade debtors	5,675	-
Prepayments	4,716	6,368
Other	-	213,611
GST/VAT	-	34,592
	10,391	254,571

**NOTE 7: EXPLORATION AND EVALUATION
 EXPENDITURE**

	31 December 2020	30 June 2020
	\$	\$
Exploration and evaluation expenditure reconciliation		
Opening balance	780,810	1,669,485
Exploration and development expenditure incurred	451,523	17,653
Exploration and evaluation written off	(60,944)	(10,551)
Impairment	-	(895,777)
Closing balance	1,171,389	780,810

The value of the exploration expenditures is dependent upon:

- The continuance of rights to tenure of the area of interest;
- The results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 8: ISSUED CAPITAL

	31 December 2020 \$	30 June 2020 \$
(a) Share Capital		
Issued and paid up capital – consisting of ordinary shares	22,530,608	20,200,609
Less: Costs of issue	(976,681)	(963,512)
	21,553,927	19,237,097

(b) Movements in ordinary share capital

	Number of shares	\$
Opening balance at 1 July 2020	418,069,699	20,200,609
Share placement 11 December 2020	363,636,363	2,000,000
Shares issue to Vendor 11 December 2020	60,000,000	330,000
Less: capital issue costs	-	(976,681)
Closing balance at 31 December 2020	841,706,062	21,553,928

Opening balance at 1 July 2019	418,069,699	20,200,609
No movements		
Less: capital issue costs	-	(963,512)
Closing balance at 30 June 2020	418,069,699	19,237,097

NOTE 9: SHARE BASED PAYMENT RESERVE

Movements in options (share based payments reserve)	Number of Options	\$
Opening balance at 1 July 2020	10,000,000	34,800
Options issued Flagstaff/Nominees 14 December 2020 with \$0.0125 exercise price, expiry 14 December 2023	100,000,000	1,850,000
Options issued to Directors 14 December 2020 with \$0.0125 exercise price, expiry 14 December 2023	50,000,000	925,000
Closing balance at 31 December 2020	160,000,000	2,809,800

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 9: SHARE BASED PAYMENT RESERVE (CONTINUED)

The share option reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Using the Black & Scholes options valuation and methodology, the fair value of the options were calculated. The following inputs were used:

INPUT	FLAGSTAFF/NOMINEE OPTIONS	DIRECTOR OPTIONS
Exercise Price	\$0.0125	\$0.0125
Share price	\$0.025	\$0.025
Grant date	14/12/2020	14/12/2020
Expected volatility (i)	100%	100%
Expiry date	14/12/23	14/12/23
Expected dividends	Nil	Nil
Risk free interest rate	0.1%	0.1%
Value per option	\$0.0185	\$0.0185
Number of options	10,000,000	50,000,000
Value of options	\$1,850,000	\$925,000

NOTE 10: RELATED PARTY TRANSACTIONS

Other than as disclosed below, arrangements with related parties continue to be in place. For details on these arrangements, please refer to the 2020 Annual Report.

(a) Transactions with key management personnel

Key management personnel continue to receive remuneration in the form of short-term benefits and post-employment benefits.

During the half year ended 31 December 2020, the Company paid \$6,500 (December 2019: \$2,789) (GST incl.) to Mr Grant Mooney, Chairman/Non-Executive Director of the Company for the rental of office space at Suite 1, 6 Richardson Street, WEST PERTH WA 6005. The rental lease is settled on a monthly basis.

During the half year ended 31 December 2020, the Company paid \$15,013 (December 2019: \$3,300) (GST incl.) to Mr Grant Mooney, Chairman of the Company for the Company Secretarial fees from 1 December 2019.

Mr Michael Bohm is a nominee of Flagstaff Minerals Limited.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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**CONDENSED CONSOLIDATED NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 29 January 2021, a 5,000 metre RC drilling program commenced at the Kingman Gold Silver Project with first assay results expected during second-half of March 2021. The 5,000m drill program is anticipated to be completed in early-April with assay results anticipated from late-march through until May 2021.

On 29 January 2021, Mr Jason Pater was appointed as a non-executive director of the Company.

Other than those mentioned above, there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

NOTE 12: FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payable and assumed to be approximately the fair value due to their short-term nature.

NOTE 13: CONTINGENT LIABILITIES AND COMMITMENTS

Under the terms of the agreement with Flagstaff Minerals Limited and Flagstaff Minerals (USA) Inc, the Company must expend at least \$AUD1,500,000 within 12 months of the commencement date, and at least \$AUD5,000,000 within 3 years to obtain a 50% interest in Flagstaff Minerals (USA) Inc. If the Company withdraws before earning an interest, it will still obtain 15% equity interest in Flagstaff Minerals (USA) Inc. if it has incurred at least \$AUD1,500,000.

Other than the above, the Group has no contingent liabilities or commitments as at 31 December 2020.

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Michael Bohm
Non-Executive Chairman

Date: 15 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RIEDEL RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Riedel Resources Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2020, 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 ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2020, or during the half year.

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 Riedel Resources 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 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 (f) in the financial report, which indicates that the consolidated entity incurred a loss before income tax of \$3,027,376 (2019: \$161,234) during the period ended 31 December 2020. This condition, along with other matters as set out in Note 2 (f), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

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Independence

We are independent of the company 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.

Directors' Responsibility for the Interim 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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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.

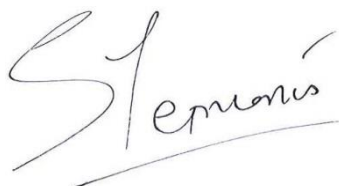
Auditor's Responsibilities for the Review of the Financial Report

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 consolidated entity'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 Corporation 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.

PKF Perth

PKF PERTH



SIMON FERMANIS
PARTNER

15 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA