



Talisman Mining Limited

ABN 71 079 536 495

Financial report for the half-year ended

31 December 2018

Corporate Directory

Board of Directors

Mr Jeremy Kirkwood	Non-Executive Chairman
Mr Daniel Madden	Managing Director
Mr Brian Dawes	Non-Executive Director
Ms Karen Gadsby	Non-Executive Director

Company Secretaries

Mr Shaun Vokes
Mr Alexander Neuling

Registered and Principal Office

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Perth, Western Australia 6000
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Fax: +61 8 9382 8200
Website: www.talismanmining.com.au

Auditors

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Perth, Western Australia 6000
Tel: +61 8 9227 7500

Share Registry

Link Market Services
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250 St George Terrace
Perth, Western Australia 6000
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Securities Exchange Listing

Australian Securities Exchange Limited
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Perth, Western Australia 6000

ASX code:TLM

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Review of Operations

Doolgunna Copper-Gold Project (Joint Venture with Sandfire Resources NL)

On 8 August 2018 Talisman Mining Limited (**Talisman or the Company**) signed a conditional Share Sale Agreement with Sandfire Resources NL (**Sandfire**) for Sandfire to acquire Talisman A Pty Ltd (**Talisman A**), the subsidiary which held Talisman's 30% interest in the Springfield Joint Venture (**Share Sale Agreement**).

Key terms of the Share Sale Agreement included:

- Talisman to receive net cash from Sandfire equal to \$72.3 million less the amounts to be paid at completion to Taurus Mining Finance Fund (**Taurus**), the Talisman group financier, by Sandfire on behalf of:
 - Talisman A, to repay debt owed at completion by Talisman A (to the extent Talisman A's cash reserves at completion are insufficient) under the Taurus loan facility (**Loan Facility**); and
 - Talisman, equal to the amount owed at completion by Talisman under the Taurus working capital facility announced on 28 June 2018 (**Working Capital Facility**).
- Sandfire to assume, via its acquisition of Talisman A, an amended form of the existing 2.25% gross revenue royalty held by Taurus over Talisman's 30% share of Monty production.
- Talisman A's budgeted capital contributions to the Springfield Joint Venture, including for development of the Monty Cu-Au Project (**Monty**), to be funded by Sandfire for the period from 5 June 2018 to completion.
- Talisman to retain an ongoing 1% Net Smelter Return royalty (**NSR Royalty**) payable on 100% of any copper and gold extracted from the Springfield Joint Venture tenure above the Monty mine plan (based on the Monty Feasibility Study released in April 2017).

The Share Sale Agreement was conditional on Talisman shareholders approving the proposed transaction which occurred on 4 October 2018. Completion of the Talisman A Pty Ltd share sale transaction subsequently occurred on 12 October 2018.

As a result of transaction completion, Talisman received net proceeds of \$58.15 million from Sandfire (after the repayment of the Loan Facility and Working Capital Facility debts to Taurus) and the NSR Royalty.

In December 2018, Talisman paid a fully franked special dividend of 6.375 cents per share (total of \$11.8 million) to all shareholders from the proceeds of the Share Sale Agreement. In addition, as announced on 22 February 2019, Talisman is in the process of returning 15.625 cents per share (total of \$29 million) to Talisman shareholders. This will be a return of part of the paid-up share capital of Talisman to shareholders by way of an equal reduction of capital in accordance with sections 256B and 256C of the Corporations Act (**Capital Return**). After making the Capital Return, Talisman will have returned cash of 22 cents per share (\$40.8 million) to shareholders from the proceeds received on completion of the Share Sale Agreement.

Lachlan Copper-Gold Project .

The Lachlan Project area covers 3,181km² of exploration tenure including an extensive strike extent along the Gilmore suture (*Figure 1*). It is considered that this area has the potential to host a variety of deposit types including low sulphation epithermal gold and base metal deposits (similar to the Mineral Hill deposit), structurally controlled gold deposits (similar to the Mt Boppy deposit), structurally controlled copper deposits (similar to the Blind Calf deposit), Cobar style gold and base metal deposits, as well as Skarn deposits.

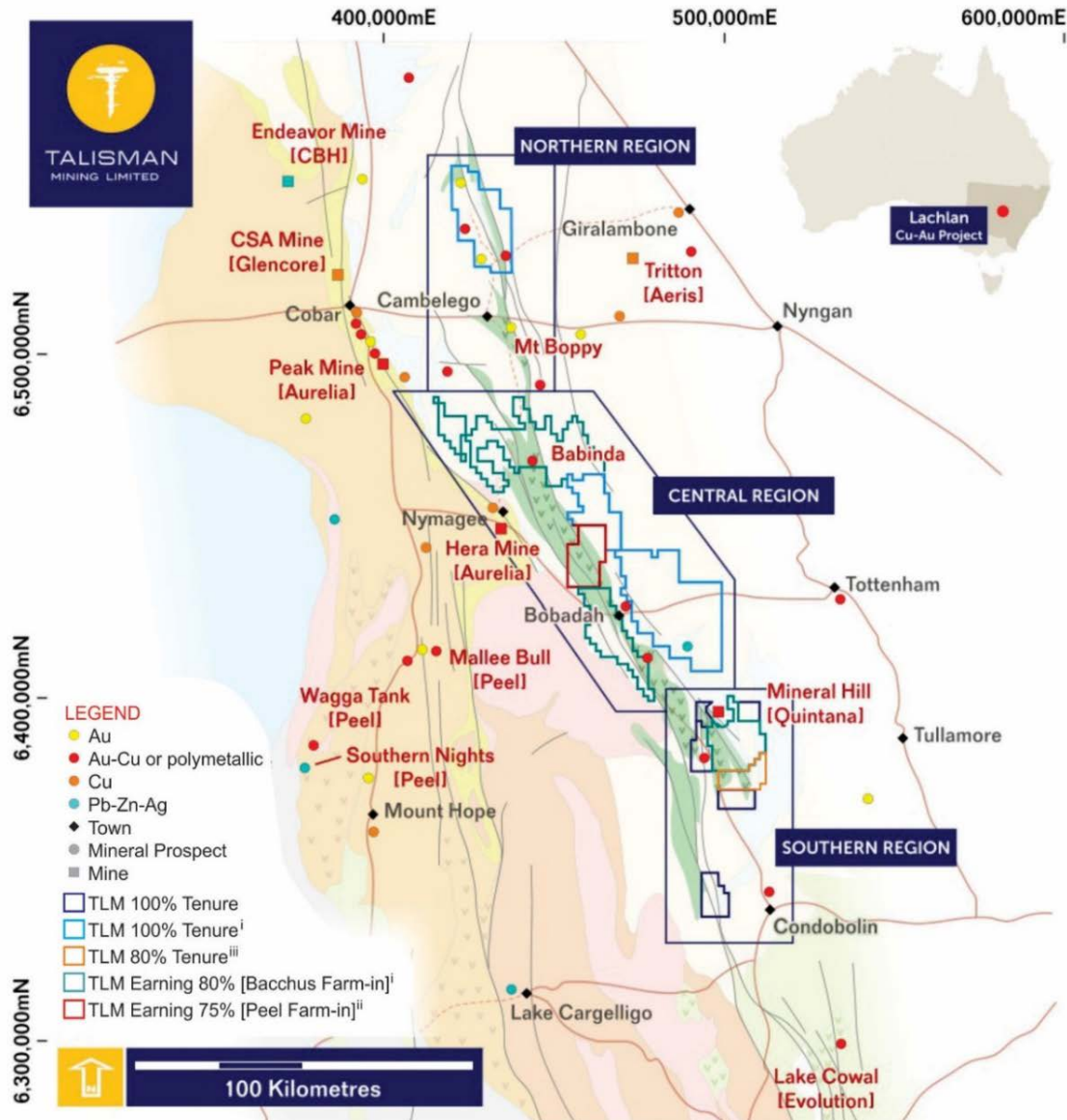


Figure 1: Lachlan Copper-Gold Project tenure and simplified geology.

- i. As previously announced to the ASX¹, Haverford Holdings Ltd (Haverford), a 100% owned subsidiary of Talisman, has entered into a Farm-In Agreement (Farm-in) with Bacchus Resources Pty Ltd (Bacchus) over certain Lachlan Cu-Au Project tenements.
In accordance with the terms of the Farm-in:
 - Haverford can earn up to an 80% interest in the Bacchus Tenements (EL8547, EL8571, EL8638, EL8657, EL8658 and EL8680) by sole funding \$2.3M of on-ground exploration expenditure over four years; and
 - Should Haverford earn an interest in the Bacchus Tenements, Bacchus is entitled to receive a 20% interest in the Haverford Tenements (EL8615, EL8659 and EL8677). Should Haverford not earn an interest in the Bacchus Tenements, Bacchus may elect to take a 20% interest in the Haverford Tenements.
 - Should Haverford earn into the Bacchus Tenements, a formal joint venture will be entered into which provides that Bacchus will be free carried for 10% of its joint venture interest until a decision to mine. Post a decision to mine, Bacchus can then elect whether to contribute or not, if Bacchus elects not to contribute, Haverford shall acquire Bacchus' interest in the joint venture for 95% of fair value as agreed by the joint venture participants
- ii. As previously announced to the ASX², Haverford has entered into a Farm-In Agreement (Farm-in) with Peel Mining Limited (ASX:PEX) over PEX's Mt Walton (EL8414) and Michelago (EL8451) Projects (collectively the **Peel Tenements**). In accordance with the terms of the Farm-in, Haverford can earn up to a 75% interest in the Peel Tenements by sole funding \$0.7M of on-ground exploration expenditure over five years.
- iii. EL8814 joint venture between Haverford (80%) and Bacchus (20%).

¹ Refer Talisman ASX announcement "Further NSW Gold and Base Metals Tenure Secured" 09 January 2018.

² Refer Talisman ASX announcement "AGM Presentation" 23 November 2017.

The Company has identified multiple exploration targets that are considered to have the potential to host significant gold or base metal mineralisation and warrant further exploration activities. Targets are classified depending on corroborating geological information and classified in 5 stages:

- Stage 1: Conceptual Targets
- Stage 2: Prospect areas with anomalies defined from surface sampling programs
- Stage 3: Prospect areas with known gold or base metal mineralisation intersected in bedrock drilling in addition to anomalies defined from surface sampling programs
- Stage 4: Prospect areas with economic grade mineralisation and/or economic width intersection
- Stage 5: Prospect areas with economic grade and width mineralisation that are subject to targeted resource drilling

In total 44 exploration targets have been identified of which 25 have been classified as Stage 2 targets, 18 as Stage 3 targets and 1 as a Stage 4 target (Blind Calf Prospect).

Blind Calf Prospect

A total of eight reverse circulation (**RC**) holes for 1,709 metres were completed at the Blind Calf Prospect for the half year ended 31 December 2018. Drilling was aimed at testing further down dip from previously reported high-grade copper mineralisation and intersected strongly altered volcanic lithologies, with quartz veining and logged copper sulphide mineralisation (chalcopyrite). Best results³ from Talisman drilling to date include:

- BCRC005: 7m @ 5.68% Cu, from 98m down-hole
Inc. 4m @ 7.85% Cu from 100m down-hole;
- BCRC006: 13m @ 5.71% Cu, from 129m down-hole
Inc. 4m @ 11.06% Cu from 136m down-hole;
- BCRC007: 11m @ 4.78% Cu, from 127m down-hole
Inc. 4m @ 8.40% Cu from 127m down-hole;
- BCRC0008: 5m @ 3.10% Cu from 199m
Inc. 1m @ 7.55%Cu from 201m;
- BCRC0010: 21m @ 2.67% Cu from 117m
Inc. 4m @ 6.85%Cu from 132m;

Drill results during the half year confirmed the continuation of the Blind Calf lode at depth with a consistent thickness. In addition, an interpreted high-grade core remains open down plunge to the north (*Figure 2*). Talisman will undertake a campaign of follow up drilling at Blind Calf aimed at extending the known high-grade copper mineralisation at depth where it remains open in all directions.

³ Refer to TLM September 2018 and December 2018 Quarterly reports for full details, and associated JORC tables.

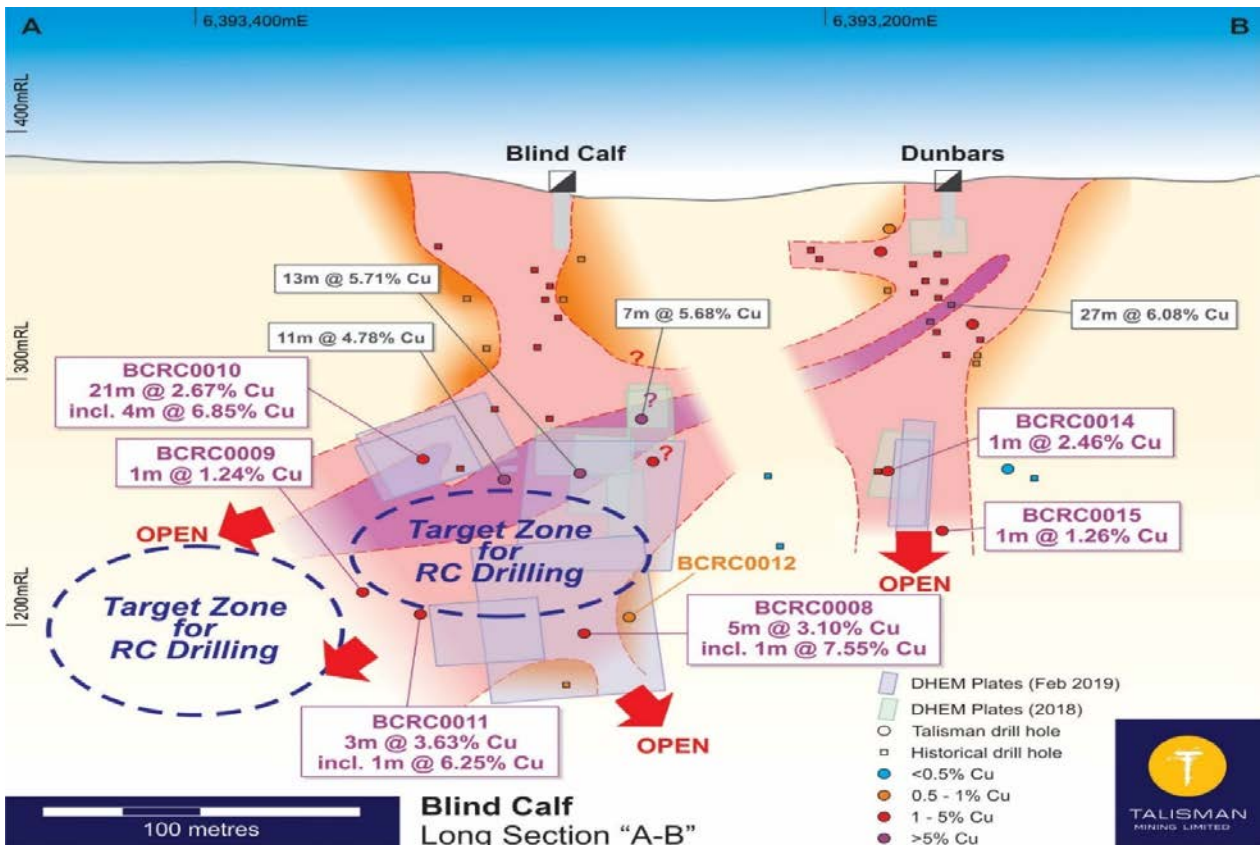


Figure 2: Blind Calf-Dunbars Long Section showing new DHEM anomalies and previously reported Talisman³ and historic drill intersections.

Cumbine Prospect

First pass RC drilling was completed at the Cumbine Prospect during the half year, comprising four holes for 757 meters. Drilling was designed to test an historic IP geophysical anomaly associated with historic anomalous gold-in soils and rock chip samples on the flanks of an outcropping felsic volcanic sequence (Figure 3).

Drilling encountered a contiguous sequence of altered felsic rocks, with broad zones of elevated gold results throughout all four of the completed holes.

A number of zones of brecciation and quartz veining were logged and have been interpreted to represent fault zones. These zones have higher elevations of gold (>0.5g/t Au), with one zone in CURC0003 returning **7m @ 1.95g/t Au⁴** from 109m including **1m @ 5.83g/t Au**.

⁴ Refer to TLM September 2018 and December 2018 Quarterly reports for full details, and associated JORC tables.

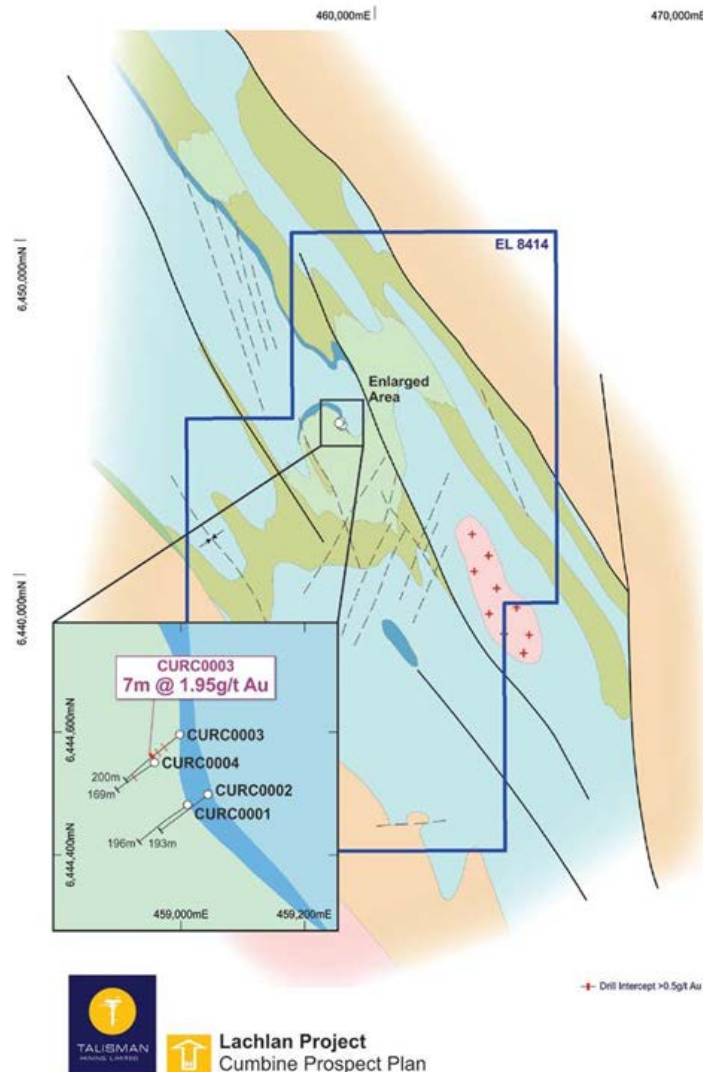


Figure 3: Cumbine Prospect – Drill collar location plan

Noisy Ned Prospect

During the half year 12 RC drill holes for 2,358 meters were completed at the Noisy Ned Prospect (*Figure 4*). Drilling was designed to provide a first pass test of a strong multi-element base metal anomaly (Zn/Pb/Cu), identified by previous shallow auger geochemical sampling that extends for a strike length of more than 1 kilometre along the regionally significant Gilmore Suture fault zone⁵.

Drilling results showed broad zones of zinc, lead and copper mineralisation encountered in all drill sections, with the mineralisation interpreted to be trending north-northwest with a shallow dip to the east. Further, the drilling encountered flat to shallow easterly dipping, highly altered felsic volcanic rocks (rhyolites/ dacites), overlying a broader highly brecciated rhyolite unit with an intercalated tuffaceous unit, with strong to moderate siliceous alteration and pyrite sulphide mineralisation pervasive throughout all of the rocks encountered.

Results from sampling has shown wide zones of anomalous Zn and Pb mineralisation within the upper felsic units (*Figure 5*), with narrow zones of higher grade (>0.5%), Zn, Pb and Cu throughout the sequence, with logging of drill cuttings noting fresh base metal sulphides (sphalerite, galena, chalcopyrite).

Further field work is anticipated following the completion of a DHEM survey to better define the stratigraphy, prior to planning the next phase of drill testing to be undertaken in the second half of the financial year.

⁵ Refer Talisman ASX announcement "Lachlan Cu-Au Project Update - Cu-Zn-Pb Anomaly identified" dated 17 May 2018.



Figure 4: Noisy Ned - Drill collar locations over simplified solid geology, with RC drilling results⁶

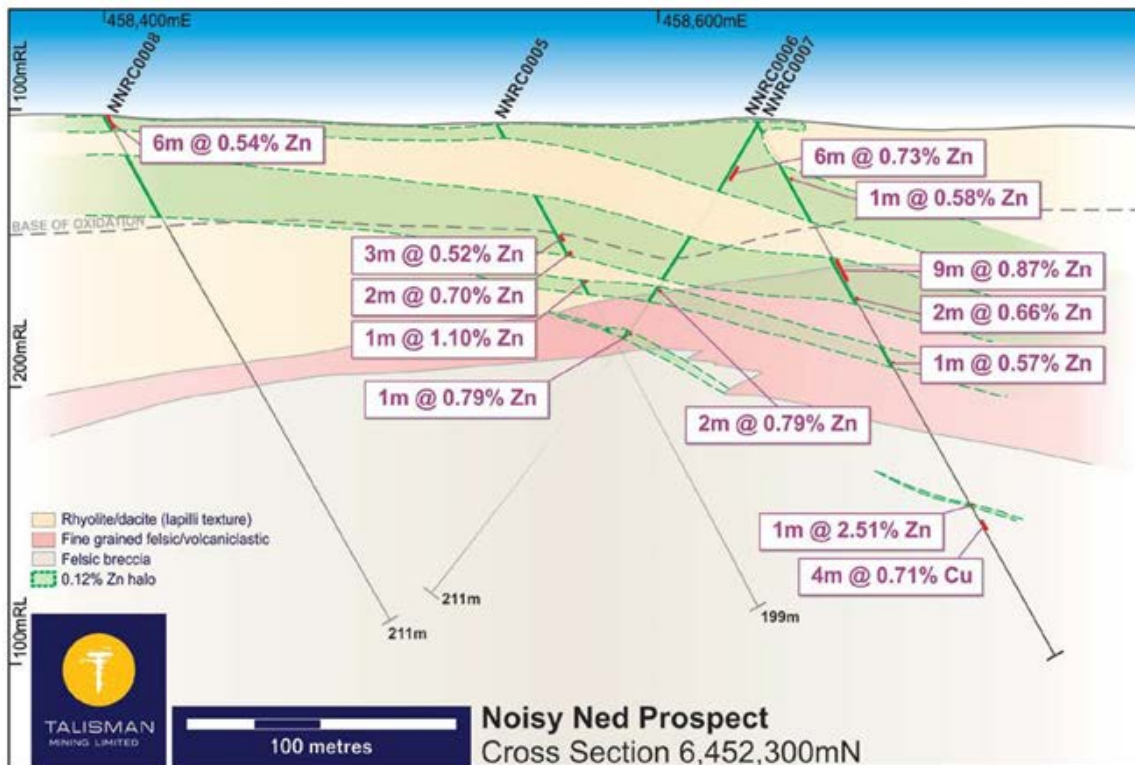


Figure 5: Noisy Ned - Drill Section 6,452,300mN.⁷

⁶ Refer to TLM September 2018 and December 2018 Quarterly reports for full details, and associated JORC tables.

⁷ Refer to TLM September 2018 and December 2018 Quarterly reports for full details, and associated JORC tables.

Other Exploration Activity

Extensive campaigns of first-pass geochemical sampling, including auger and soil sampling were completed across numerous Stage 1, Stage 2 and Stage 3 target areas to the south east of the Blind Calf Prospect and the Mineral Hill Mine (currently in care and maintenance). A total of 2,786 auger samples and 943 soil samples were collected. Results from the campaigns have defined strong zinc-lead and copper anomalism with coincident gold (*Figure 6*), highlighting a number of distinct target areas along interpreted regional scale northwest-southeast trending structures. These structures are known to be a major controlling feature in the region, as is seen at the Mineral Hill Mine to the northwest, and Talisman’s high-grade Blind Calf Prospect.

These target areas will be assessed and prioritised in line with Talisman’s methodical and systematic as an ongoing iterative process with a critique of proposed exploration activities occurring on a quarterly basis.

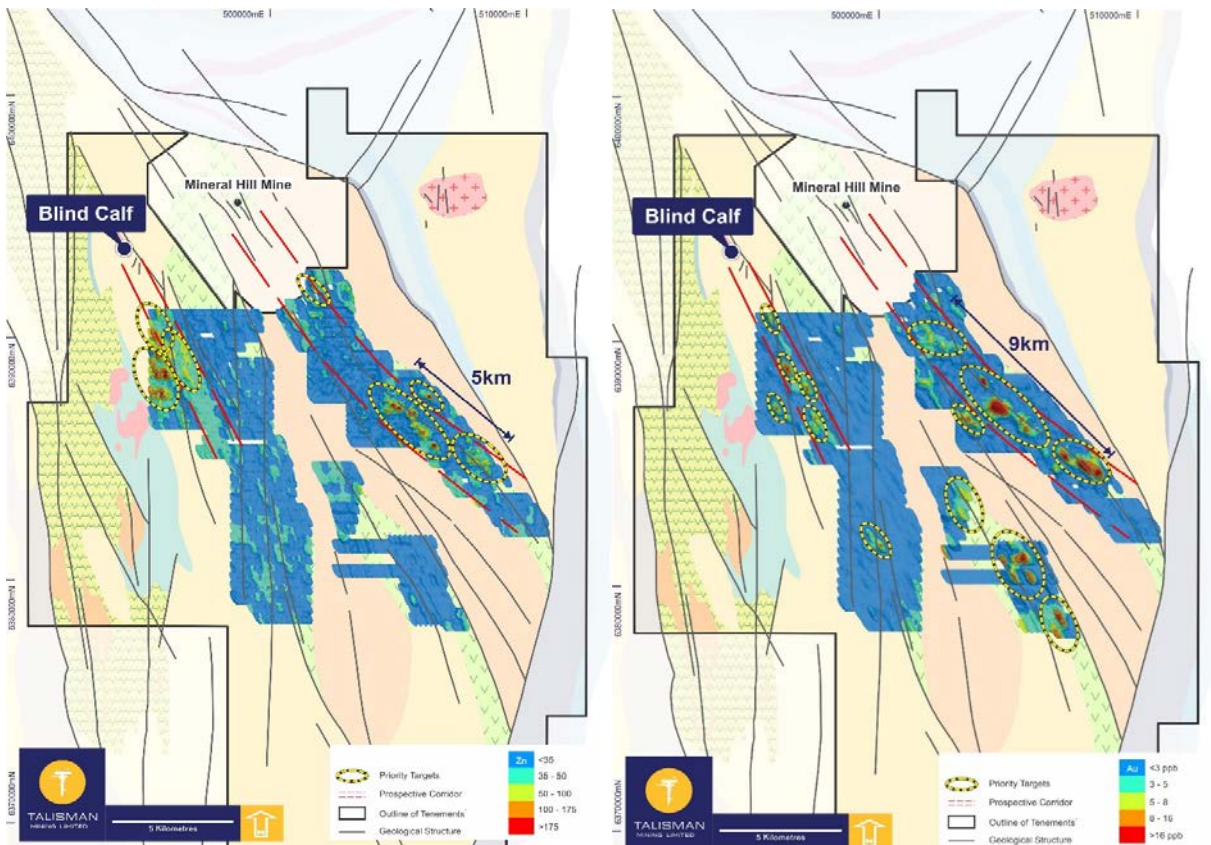


Figure 6: Lachlan Project southern region area showing auger & historic geochemistry with identified Zn and Au anomalism.

Sinclair Nickel Project (TLM 100%)

Talisman continued to advance the Sinclair Nickel Project (**Sinclair**) throughout the half year ending December 2018, through cost effective staged exploration focused on priority target areas. Air-core drilling was completed at numerous locations with the aim of providing geological and geochemical information in areas with little to no historic exploration; with RC drilling used to follow-up anomalous results in the first pass air-core drilling.

Resource Estimate

Talisman completed a Mineral Resource Estimate (**MRE**) for Sinclair during the half year. The MRE is based on historic RC and diamond drilling completed by Xstrata Nickel Australasia Operations Pty Ltd and incorporates remnant nickel sulphide mineralisation adjacent to existing mine development and extensional mineralisation continuing immediately down plunge of existing mine workings.

The MRE process resulted in a *JORC Indicated and Inferred Resource* of **720,000t @ 2.3% Ni** for **16,200t** of contained nickel⁸.

The MRE is based on a recently completed reinterpretation of the massive and disseminated/ stringer sulphide mineralisation at the Sinclair deposit by Talisman's geological team. The MRE was completed by an independent consultant, in conjunction with Talisman.

Nickel mineralisation at the Sinclair deposit continues beyond the current underground mine infrastructure and has been identified in drilling for a further 1,200m down-plunge from the end of previous mining development. The first 500m of this continuation has been drilled at a sufficient density to enable a JORC Inferred Resource classification (*Figure 7*).

Further to the north, the continuation of the Sinclair deposit down-plunge mineralisation has only limited drilling for a further 700m on a 100-200m spaced drill pattern (*Figure 7*), and this mineralisation forms an **Exploration Target** ranging between approximately **670,000t @ 2.0% Ni** for **13,700t** of contained nickel and **790,000t @ 2.5% Ni** for **19,900t** of contained nickel⁸ (*Table 1*). The Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

<i>Exploration Target</i>			
	Tonnage	Ni %	Ni t
Lower - 10%	670,000	2.0	13,700
Upper +10%	790,000	2.5	19,900

Table 1: Sinclair Nickel Project – Exploration Target approximate range

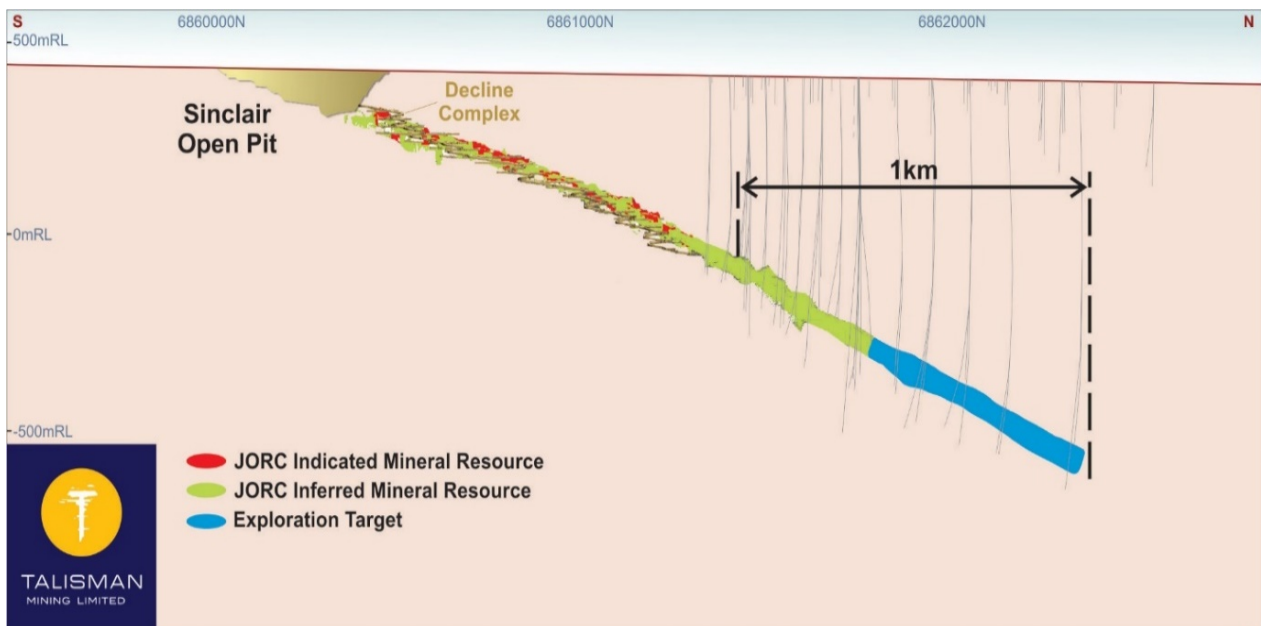


Figure 7: Sinclair Nickel Project – Mineral Resource Estimate: Resource Classification.

⁸ Refer Talisman ASX announcement "Sinclair Nickel - Talisman Maiden JORC Mineral Resource" dated 31 August 2018

Regional Exploration

Air-core drilling was completed at the Skye East and Delphi Prospects, and multiple areas along the eastern Antioch ultramafic trend during the half year. This work was aimed at providing geological and geochemical information in areas with little to no historic exploration.

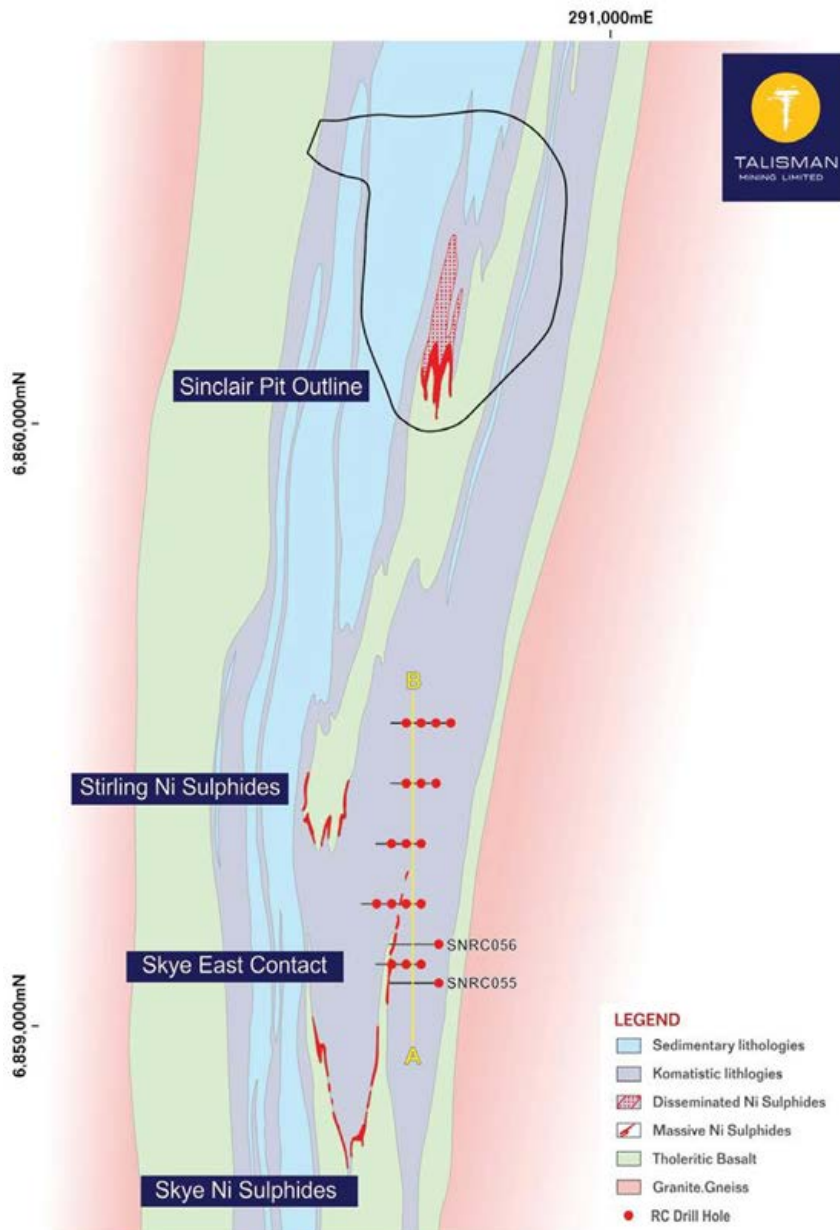


Figure 8: Sinclair Nickel Project – Skye East contact position showing previously completed shallow RC drilling.

A total of 72 holes for 1,796 meters were completed across the prospect areas. Drilling intersected the interpreted ultramafic sequence however no significant assays were returned.

In addition to air-core drilling, a total of 25 RC drill holes for 1,820 meters were also completed during the half year. Seventeen shallow RC holes were completed at the eastern extent of previous historic drilling at the Skye East Prospect.

Drilling intersected massive sulphides in a number of holes, with significant results including:

- SNRC045: 4m @ 1.28% Ni from 16m down hole
- SNRC048: 7m @ 3.54% Ni from 51m down hole
Inc. 2m @ 7.47% Ni from 55m down hole.

Two additional deeper holes (*Figure 8* and *Figure 9*) were completed to the north and south of the shallow intersections (SNRC055 and SNRC056). Both holes encountered the interpreted ultramafic contact at the interpreted depths with trace disseminated nickel sulphides, as well as a significant sulphide rich sedimentary unit in the immediate hanging wall. Results from analysis did not return any significant nickel mineralisation.

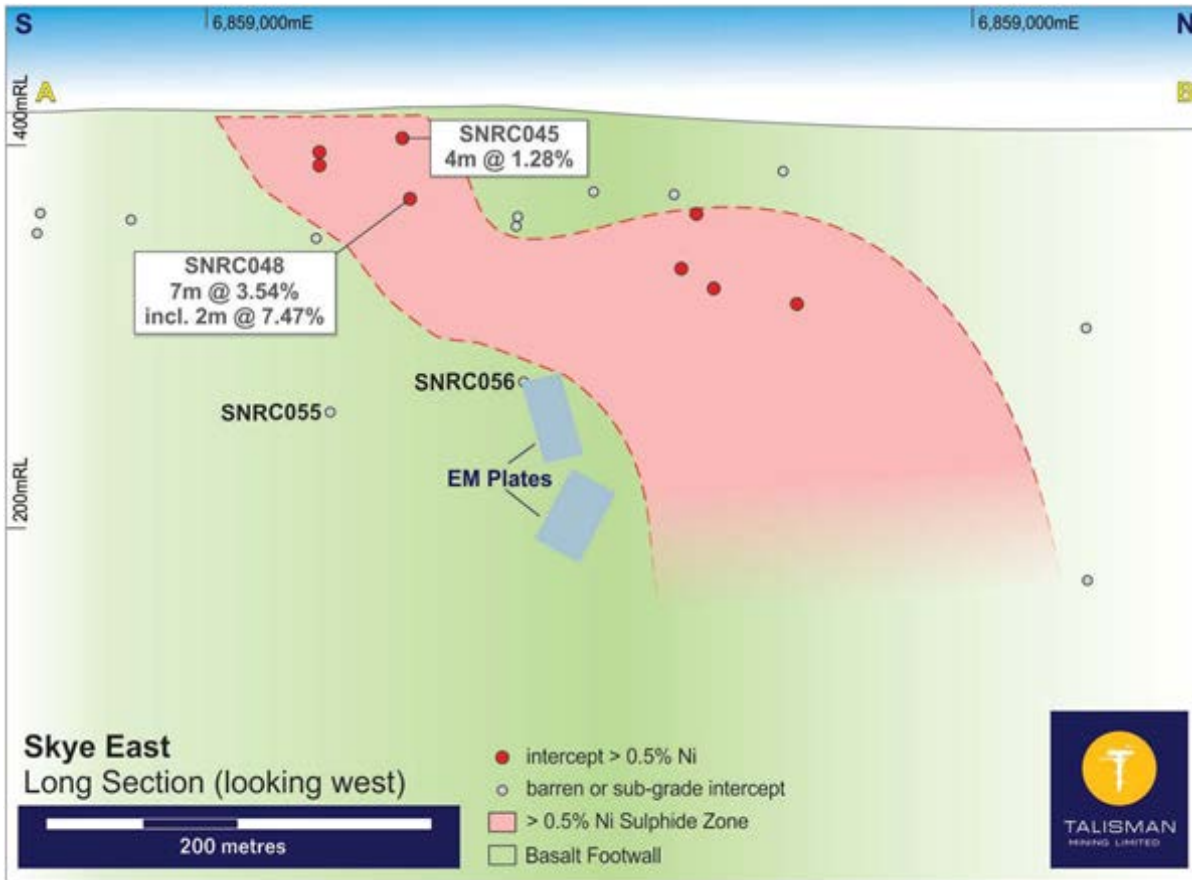


Figure 9: Sinclair Nickel Project – Skye East long section.

Future Developments

Lachlan Copper-Gold Project

Talisman will continue to progress access agreements with landholders and securing the required departmental approvals prior to the commencement of on-ground drilling activities.

Methodical and systematic exploration will ensure that the highest priority targets are reviewed in conjunction with new exploration information as it comes to light. As such the prioritisation of targets will be an ongoing iterative process with a critique of proposed exploration activities occurring on a quarterly basis.

Planned work in the 2019 calendar year will include RC and/or diamond drilling of advanced exploration targets and campaigns of auger drilling and soil sampling at stage 2 targets. The Company also anticipates undertaking airborne and/or ground magnetics, gravity and electrical (IP/EM) survey data over selected targets as a result of a review of the available regional geophysical survey data (gravity and magnetic) undertaken in the half year.

Sinclair Nickel Project

Talisman will continue to evaluate the potential of Sinclair, and to develop exploration programs across the wider project as part of its staged, cost effective exploration strategy. Consistent with this approach, Talisman plans to undertake a program of air-core and RC drilling to test a number of identified target areas during the 2019 calendar year.

Mineral Resource and Ore Reserve Statement as at 31 December 2018

Sinclair Mineral Resource⁹

JORC Category - Indicated			
Grade Cut-off (Ni %)	Tonnage	Ni %	Ni t
0.5	370,000	2.0	7,400
1.0	350,000	2.1	7,300
1.5	250,000	2.4	6,000
2.0	140,000	2.9	4,100

JORC Category - Inferred			
Grade Cut-off (Ni %)	Tonnage	Ni %	Ni t
0.5	1,080,000	1.6	17,200
1.0	910,000	1.7	15,900
1.5	460,000	2.2	10,200
2.0	180,000	2.9	5,400

Note: Mineral Resource presented at a selection of grade cut-offs. Calculations have been rounded to the nearest 1,000t, 0.1% Ni grade and 1,000t Ni metal. Differences may occur due to rounding.

The above table is reported as of 31 August 2018. The Company's half year end was 31 December 2018. Talisman is not aware of any material changes between those dates likely to affect the above table.

Competent Person's Statement

Information in this half year financial report that relates to Exploration Results and Exploration Targets is based on, and fairly represents information and supporting documentation compiled by Mr. Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Greenaway is a full-time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Greenaway consents to the inclusion in this report of all technical statements based on his information in the form and context in which they appear.

Information in this half year financial report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, Principal geologist of the firm International Resource Solutions Pty Ltd, which specialises in mineral resource estimation, evaluation and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe 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 (the JORC Code). Mr Wolfe consents to the inclusion in this report of all technical statements based on his information in the form and context in which they appear.

No new information that is considered material is included in this report. All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this report.

Forward-Looking Statements

This report may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Talisman Mining Ltd.'s current expectations, estimates and assumptions about the industry in which Talisman Mining Ltd operates, and beliefs and assumptions regarding Talisman Mining Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Talisman Mining Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Talisman Mining Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

⁹ Refer Talisman ASX announcement "Sinclair Nickel - Talisman Maiden JORC Mineral Resource" dated 31 August 2018 for full details including JORC tables.

Directors' Report

The Directors of Talisman Mining Limited (the Company) submit the financial report of the consolidated entity (referred to hereafter as the Group) for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Mr Jeremy Kirkwood	Non-Executive Chairman
Mr Daniel Madden	Managing Director
Mr Alan Senior	Non-Executive Director (resigned 30 November 2018)
Mr Brian Dawes	Non-Executive Director
Ms Karen Gadsby	Non-Executive Director

Principal Activities

The principal activity of the Company during the course of the financial half-year was exploration for, and development of, base and precious metals, including copper, copper-gold, gold and nickel.

Financial Performance and Financial Position

During the half-year the Group reported a profit after tax of \$50.453 million (half-year to 31 December 2017: loss after tax \$3.608 million) and an after tax loss from continuing operations of \$5.394 million (half-year to 31 December 2017: \$2.884 million). The Group recorded a profit after tax from discontinued operations of \$55.847 million from the sale of Talisman A Pty Ltd (half-year to 31 December 2017: loss of \$0.724 million attributable to the discontinued operations). The Group spent \$2.762 million on exploration expenditure in New South Wales and Western Australia for continuing operations during the half-year (half-year to 31 December 2017: \$1.343 million).

As at 31 December 2018 the Group had net assets of \$50.321 million (30 June 2018: \$11.644 million) including \$43.643 million of cash and cash equivalents (30 June 2018: \$0.470 million).

Rounding Off of Amounts

The Company has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and accordingly certain amounts included in this half-year report have been rounded off to the nearest \$1,000 (where rounding is applicable), The Company is an entity to which the legislative instrument applies.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page and forms part of this Directors' Report for the half-year ended 31 December 2018.

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



.....
Daniel Madden
Managing Director
7 March 2019



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Talisman Mining 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:

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

Perth, Western Australia
7 March 2019

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

L Di Giallonardo
Partner

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2018

	Note	31 Dec 18 \$ `000	Restated ⁽ⁱ⁾ 31 Dec 17 \$ `000
Continuing operations			
Other income		220	91
Employee benefits expense	2	(820)	(815)
Exploration expenditure expensed as incurred	5	(2,762)	(1,343)
Administrative expenses		(496)	(69)
Legal and corporate advisory expense		(432)	(259)
Care and maintenance expense		(255)	(269)
Finance costs		(74)	-
Occupancy expenses	2	(57)	(57)
Unwinding of discount on provisions		(132)	(126)
Depreciation and amortisation expense		(53)	(37)
Loss before income tax expense		(4,861)	(2,884)
Income tax (expense)	3	(533)	-
Loss after tax from continuing operations		(5,394)	(2,884)
Discontinued operation			
Profit / (loss) after tax from discontinued operation	6	55,847	(724)
Net profit / (loss) for the period		50,453	(3,608)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive profit / (loss) for the period		50,453	(3,608)

Earnings / (loss) per share

From continuing and discontinued operations:		
Basic earnings/ (loss) per share (cents per share)	27.17	(1.94)
Diluted earnings per share (cents per share)	27.17	n/a
From continuing operations:		
Basic loss per share (cents per share)	(2.90)	(1.55)
Diluted earnings per share (cents per share)	n/a	n/a

(i) The comparatives have been restated for the discontinued operation.

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 18 \$ `000	30 Jun 18 \$ `000
Assets			
Current Assets			
Cash and cash equivalents		43,643	470
Trade and other receivables		389	253
Assets classified as held for sale	6	-	21,350
Total Current Assets		44,032	22,073
Non-Current Assets			
Receivables		120	179
Property, plant and equipment		2,788	2,772
Intangible assets		34	24
Deferred exploration and evaluation expenditure	4	14,000	14,000
Total Non-Current Assets		16,942	16,975
Total Assets		60,974	39,048
Liabilities			
Current Liabilities			
Trade and other payables		1,676	788
Employee benefits		53	50
Liabilities directly associated with assets held for sale	6	-	17,774
Total Current Liabilities		1,729	18,612
Non-Current Liabilities			
Provisions		8,924	8,792
Total Non-Current Liabilities		8,924	8,792
Total Liabilities		10,653	27,404
Net Assets		50,321	11,644
Equity			
Issued capital	7	60,882	60,882
Reserves		1,363	1,679
Accumulated losses		(11,924)	(50,917)
Total Equity		50,321	11,644

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2018

	Issued Capital \$ `000	Accumulated Losses \$ `000	Dividend Payment Reserve \$ `000	Asset Revaluation Reserve \$ `000	Share- based Payments Reserve \$ `000	Total Equity \$ `000
Balance at 1 July 2017	60,882	(40,574)	-	14	1,293	21,615
Profit / (Loss) for the period	-	(3,608)	-	-	-	(3,608)
Total comprehensive income/(loss) for the period	-	(3,608)	-	-	-	(3,608)
Recognition of share-based payments	-	-	-	-	288	288
Unlisted options forfeited	-	-	-	-	(4)	(4)
Unlisted options lapsed	-	131	-	-	(131)	-
Balance at 31 December 2017	60,882	(44,051)	-	14	1,446	18,291
Balance at 1 July 2018	60,882	(50,917)	-	-	1,679	11,644
Profit / (Loss) for the period	-	50,453	-	-	-	50,453
Total comprehensive income/(loss) for the period	-	50,453	-	-	-	50,453
Profit set aside for dividend (*)	-	(11,838)	11,838	-	-	-
Dividends paid	-	-	(11,838)	-	-	(11,838)
Recognition of share-based payments	-	-	-	-	106	106
Unlisted options forfeited	-	-	-	-	(44)	(44)
Unlisted options lapsed	-	378	-	-	(378)	-
Balance at 31 December 2018	60,882	(11,924)	-	-	1,363	50,321

(*) Transfer of proportion of current period profit to reserve to facilitate payment of fully franked special dividend of 6.375 cents per ordinary share paid on 21 December 2018.

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2018

	Note	31 Dec 18 \$ `000	31 Dec 17 \$ `000
inflows/(outflows)			
Cash flows from operating activities			
Payments to suppliers and employees		(1,803)	(1,859)
Payments for exploration and evaluation		(2,363)	(1,953)
Interest received		236	59
Transaction costs related to borrowings		(483)	-
Net cash used in operating activities		(4,414)	(3,753)
Cash flows from investing activities			
Payments for mine properties and development		-	(3,650)
Payments for property, plant and equipment		(79)	(1,575)
Proceeds from disposal of entity (net of sale costs)	6	71,322	-
Net cash provided by / (used in) investing activities		71,243	(5,225)
Cash flows from financing activities			
Proceeds from borrowings		2,036	10,187
Transaction costs relating to borrowings		(105)	(659)
Repayment of borrowings		(18,628)	-
Dividends paid		(11,838)	-
Net cash provided by / (used in) financing activities		(28,535)	9,528
Net increase in cash held		38,294	550
Cash and cash equivalents at the beginning of the period (*)		5,349	11,595
Cash and cash equivalents at the end of the period		43,643	12,145

(*) Cash and cash equivalents at 30 June 2018	470
Cash previously classified as available for sale at 30 June 2018	<u>4,879</u>
Adjusted opening cash and cash equivalents balance	<u>5,349</u>

The accompanying notes form part of these financial statements.

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year consolidated 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'.

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

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

Basis of preparation

The half-year financial report has been prepared on a historical cost basis. 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 and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Legislative Instrument 2016/191. The Company is an entity to which the class order applies.

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

Accounting policies and methods of computation

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 Standards and Interpretations effective 1 July 2018 as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2018

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period.

As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 July 2018. There is no material impact to the profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Directors have determined that 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.

Standards and interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods. Those which may have a significant impact on the Group are set out below. The Group does not plan to adopt these standards early.

AASB 16 Leases

AASB 16 replaces the current AASB 117 *Leases* standard and related interpretations. AASB 16 removes the classification of leases as either operating leases or finance leases, for the lessee, effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

This standard will primarily affect the accounting for the Group's operating lease commitments. As at 31 December 2018, the Group has \$392,605 of non-cancellable operating lease commitments, predominantly relating to a property lease. The Group is considering the available options to account for this transition, but the Group expects a change in reported earnings before interest, tax, depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The Group has commenced the process of evaluating the impact of the new lease standard.

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

Statement of compliance

The interim financial statements were authorised for issue on 7 March 2019.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

2. EXPENSES

	Half-year ended 31 Dec 18 \$ `000	Half -year ended 31 Dec 17 \$ `000
Profit / loss for the year includes the following expenses:		
Operating lease rental expense	57	57
<i>Employee benefits</i>		
Other employee benefits	758	531
Non-cash share based payment expenses	62	284
<i>Total employee benefits</i>	820	815

3. INCOME TAX EXPENSE

	Half-year ended 31 Dec 18 \$'000	Half-year ended 31 Dec 17 \$'000
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting profit / (loss) before income tax	50,984	(3,608)
Income tax expense calculated at 30% (2017: 30%)	15,295	(1,082)
Non-Deductible Expenses	25	89
Tax losses and deferred tax balances not previously recognised	(14,787)	994
Income tax expense reported in the statement of comprehensive income	533	-

	31 Dec 18 \$'000	30 Jun 18 \$'000
Unrecognised deferred tax balances		
Deferred tax assets comprise of:		
Tax losses carried forward	-	14,787
Impairment of financial assets	2,175	2,175
Other deferred tax balances	522	745
	2,697	17,708
Deferred tax liabilities comprise of:		
Exploration expenditure capitalised	724	707
Other deferred tax balances	-	-
	724	707
Income Tax expense not recognised directly in equity during the year	-	-

4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half-year ended 31 Dec 18 \$'000	Year ended 30-Jun-18 \$'000
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	14,000	14,000
Expenditure incurred	2,762	4,613
	16,762	18,613
Exploration expensed as incurred	(2,762)	(4,613)
Balance at end of period	14,000	14,000

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. EXPLORATION EXPENDITURE EXPENSED AS INCURRED

	Life to date project expenditure expensed		Project Expenditure expensed in the period	
	31 Dec 18		31 Dec 17	
	\$ '000	\$ '000	\$ '000	\$ '000
Sinclair	6,841	969	5,325	1,150
Springfield (*)	-	-	27,076	454
Halloween West JV (*)	-	-	587	-
Lachlan Copper-Gold	3,276	1,793	-	-
Other Exploration Expenses	283	-	283	193
	10,400	2,762	33,271	1,797

(*) Group interests in the Springfield and Halloween West JV areas were disposed of as part of the Talisman A Pty Ltd sale to Sandfire Resources NL on 12 October 2018. Refer to Notes 6 and 12. Project expenditure in the current and comparative periods is included in the profit / (loss) from discontinued operations.

6. DISCONTINUED OPERATION

During the half-year, the Company completed a Share Sale Agreement with Sandfire Resources NL (Sandfire), its partner in the Monty Mining Joint Venture and Springfield Exploration Joint Venture (collectively the Doolgunna Project), where Sandfire acquired Talisman A Pty Ltd, the subsidiary which held the Company's 30% interest in the Doolgunna Project on a debt-free and cash-free basis. Completion occurred on 12 October 2018. Refer to Note 12. At 30 June 2018, the Group had assets classified as held for sale of \$21.35 million and liabilities directly associated with assets held for sale of \$17.774 million in relation to Talisman A Pty Ltd.

Consideration received or receivable

	31 Dec 18	31 Dec 17
	\$ '000	\$ '000
Disposal consideration	72,300	-
Less: net asset disposal of Talisman A Pty Ltd	(2,451)	-
Less: costs of sale paid or payable	(855)	-
Gain on disposal before settlement of project financing	68,994	-
Repayment of loan project financing out of disposal consideration	(12,021)	-
Gain on disposal before income tax	56,973	-
Income tax expense ¹	-	-
Gain on disposal after income tax	56,973	-
Loss for the period from discontinued operation	(1,126)	(724)
Profit / (loss) after tax from discontinued operation	55,847	(724)

¹ The tax expense related to the gain on disposal of Talisman A Pty Ltd has been offset by available brought forward income tax losses. These income tax losses relate to numerous components of the Group's activities over several years and as a result, it is considered impracticable to calculate the amount that would relate to the discontinued operation.

Net assets at the date of sale

	31 Dec 18
	\$ '000
Cash	214
Other receivables	240
Assets under construction	7,199
Mine development	9,032
Total assets	16,685
Trade creditors	1,305
Rehabilitation, restoration and dismantling provision	908
Loan – project financing	12,021
Total liabilities	14,234
Net assets	2,451

Net cash inflow on disposal

	31 Dec 18 \$ '000
Cash and cash equivalents consideration received or receivable	72,300
Net cash and cash equivalents disposed of	(214)
Net cash received on disposal	72,086
Less: costs of sale paid	(764)
Proceeds from disposal of entity (net of sale costs)	71,322

Financial performance from discontinued operation

The financial performance presented for the period 1 July 2018 to the date of disposal, 12 October 2018:

	31 Dec 18 \$ '000	31 Dec 17 \$ '000
<i>Financial performance from operations</i>		
Revenue	15	13
Expenses	(1,141)	(737)
Loss before tax from discontinued operation	(1,126)	(724)
Income tax expense	-	-
Loss for the period from discontinued operation	(1,126)	(724)

Cash flows

Cash flows presented for the period 1 July 2018 to the date of disposal, 12 October 2018, included in the various categories in the condensed consolidated statement of cash flows:

	31 Dec 18 \$ '000	31 Dec 17 \$ '000
Net cash flows from operating activities	(479)	(518)
Net cash flows from investing activities	(214)	(5,222)
Net cash flows from financing activities	(16,277)	9,528
Net cash flows	(16,970)	3,788

7. ISSUED CAPITAL

	31 Dec 18 \$	30 Jun 18 \$
Ordinary shares		
Issued and fully paid	60,881,617	60,881,617

	Half-year ended 31 Dec 18		Year ended 30 Jun 18	
	Number	\$	Number	\$
Movements in ordinary shares on issue				
Opening Balance	185,699,879	60,881,617	185,699,879	60,881,617
Closing Balance	185,699,879	60,881,617	185,699,879	60,881,617

	Half-year ended 31 Dec 18		Year ended 30 Jun 18	
	Number	\$	Number	\$
Movements in options over ordinary shares on issue				
Opening Balance	7,925,000	1,678,836	9,705,000	1,292,836
Directors' and employees' remuneration	-	105,842	-	569,794
Unlisted options forfeited	(200,000)	(44,670)	(30,000)	(3,692)
Unlisted options lapsed	(1,755,000)	(377,053)	(1,750,000)	(180,102)
Closing Balance	5,970,000	1,362,955	7,925,000	1,678,836

Share options are exercisable at various exercise prices. The options expire between 31 October 2019 and 31 October 2021.

8. DIVIDENDS

	Half-year ended 31 Dec 2018		Half-year ended 31 Dec 2017	
	Cents per share	\$ '000	Cents per share	\$ '000
Interim franked dividend	6.375	11,838	-	-

Dividend was paid on 21 December 2018 and was fully franked (2017: n/a)

9. EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings / (loss) per share

	Consolidated	
	Half-year ended 31 Dec 18 \$	Half-year ended 31 Dec 17 \$
From continuing and discontinued operations		
Basic earnings / (loss) per share (cents per share)	27.17	(1.94)
Diluted earnings per share (cents per share)	27.17	n/a
From continuing operations		
Basic loss per share (cents per share)	(2.90)	(1.55)
Diluted earnings per share (cents per share)	n/a	n/a

Earnings

	Half-year ended 31 Dec 18 \$'000	Half-year ended 31 Dec 17 \$'000
Earnings / (loss) from continued and discontinued operations used in the calculation of basic earnings / (loss) per share	50,453	(3,608)
Earnings / (loss) from continued operations used in the calculation of basic earnings / (loss) per share	(5,394)	(2,884)

Weighted average number of ordinary shares

The weighted average number of shares for the purposes of the calculation of basic and diluted earnings / (loss) per share is as follows:

	Consolidated	
	Half-year ended 31 Dec 18 Number	Half-year ended 31 Dec 17 Number
Weighted average number of shares for the purpose of basic and diluted earnings / (loss) per share	185,699,879	185,699,879

There was no adjustment to the weighted average number of shares for the calculation of the diluted EPS as this would be antidilutive.

10. SEGMENT REPORTING

Segment Information

Talisman management has determined the operating segments based on the reports reviewed by the Board for strategic decision making. The Group operates in one geographical segment, being Australia and has identified the following continuing operating segment: Regional Exploration.

The discontinued operation is identified as the Monty Operation and represented the Group's 30% joint venture interest in the Monty Copper-Gold Project (**Monty**) until 12 October 2018 when Talisman sold its interest to Sandfire Resources NL (**Sandfire**). Refer to Notes 6 and 12. Sandfire is the manager of Monty and held the remaining 70% interest until 12 October 2018, after which its interest increased to 100%.

The Group's General Manager Geology is responsible for budgets and expenditures relating to the Group's Regional Exploration activities. Regional Exploration activities do not normally derive any income. Should a project generated by Regional Exploration activities commence generating income or lead to the development of a mining operation, that operation would then be disaggregated from Regional Exploration and become reportable in a different segment.

Segment Results

	Continuing Operations	Discontinued Operations	Unallocated Items \$ `000	Consolidated \$ `000
	Regional Exploration \$ `000	Monty Operation \$ `000		
31 December 2018				
Segment revenues	-	15	220	235
Segment profit / (loss) before income tax expenses	(3,301)	55,847	(1,560)	50,986
Segment assets	16,792	-	44,182	60,974
Segment liabilities	(9,529)	-	(1,124)	(10,653)
31 December 2017				
Segment revenues	-	13	101	114
Segment profit / (loss) before income tax expense	(1,343)	(724)	(1,541)	(3,608)
Segment assets	16,756	14,740	8,508	40,004
Segment liabilities	(8,844)	(12,284)	(585)	(21,713)

11. CONTINGENT LIABILITIES AND ASSETS

Consideration for the acquisition of the Sinclair Nickel Project includes a deferred payment of \$2 million triggered by production recommencing within 6 years of transaction completion, being 3 February 2021.

An NSR Royalty deed was executed where the Company was granted an uncapped and perpetual 1.0% Net Smelter Return (NSR) royalty applying to 100% of all contained copper and gold in ore mined and sold within the Monty Mining Joint Venture above the respective contained metal levels in the Monty Mine Plan in place at deed execution (based on the Monty Feasibility Study released in April 2017).

In the opinion of the Directors, there are no other contingent liabilities or assets as at 31 December 2018 and no other contingent liabilities or assets were incurred in the interval between the period end and the date of this report.

12. SIGNIFICANT EVENTS AND TRANSACTIONS

During the reporting period the Company completed a Share Sale Agreement with Sandfire Resources NL (Sandfire), its partner in the Monty Mining Joint Venture and Springfield Exploration Joint Venture (collectively the Doolgunna Project), where Sandfire acquired Talisman A Pty Ltd (Talisman A) (Transaction), the subsidiary which held the Company's 30% interest in the Doolgunna Project (Share Sale Agreement) on a debt-free and cash-free basis. Completion occurred on 12 October 2018.

At completion of the Transaction, Talisman received net cash from Sandfire equal to A\$72.3 million less the amounts repaid to the Company's financier, Taurus Mining Finance Fund (Taurus) by Sandfire on behalf of Talisman A (to the extent Talisman A's cash reserves at completion were insufficient) under the Taurus loan facility (Loan Facility) and Talisman under the Taurus working capital facility (Working Capital Facility).

Immediately prior to completion, the drawn amount of the Loan Facility was US\$11.5 million, and the drawn amount of the Working Capital Facility was US\$1.5 million. Upon repayment both facilities were closed.

In the opinion of the Directors, there are no other significant events or transactions during the reporting period.

13. EVENTS SUBSEQUENT TO REPORTING DATE

Capital Return

On 22 February 2019 the Company announced that it had resolved to return 15.625 cents per share (\$29.0 million) to Talisman shareholders. Record date for the capital return is 28 February 2019 and the payment date is 8 March 2019.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Directors' Declaration

In the opinion of the directors of Talisman Mining Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



.....
Daniel Madden
Managing Director
7 March 2019



INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Talisman Mining Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Talisman Mining Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time 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 half-year financial report of Talisman Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group'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 the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
7 March 2019

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

L Di Giallonardo
Partner