

PACGOLD LIMITED
INTERIM REPORT
31 DECEMBER 2020

PACGOLD LIMITED

ACN 636 421 782

Interim Report – 31 December 2020

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Financial report	6
Directors' declaration	19
Independent auditor's report to the members	20

CORPORATE DIRECTORY

Directors	C Moises T Schreck M Pitt S Goodwin
Company Secretary	C Garde
Principal Place of Business	360 Collins Street Melbourne VIC 3000
Registered Office	67/352 Canterbury Road St Kilda VIC 3182
Auditor	BDO Audit (WA) Pty Ltd Level 1, 38 Station Road Subiaco WA 6008 www.bdo.com.au
Solicitors	Allens Linklaters Level 37, 250 St Georges Terrace Perth WA 6000 www.allens.com.au
Bankers	Westpac Banking Corporation
Website address	www.pacgold.com.au

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Your directors present their report on Pacgold Limited (the Company) for the half-year ended 31 December 2020.

DIRECTORS

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

- Catherine Moises (appointed 11 February 2021)
- Anthony Schreck (appointed 4 December 2020)
- Michael Pitt (appointed 28 August 2020)
- Shane Goodwin (appointed 28 August 2020)
- Patrick Walta (appointed 25 September 2019, resigned 10 April 2021)

PRINCIPAL ACTIVITIES

The principal activity of the company during the half year was the exploration of its key asset being the Alice River Project comprising a portfolio of eight mining leases and five exploration permits for minerals tenements in the Alice River region of North Queensland.

REVIEW OF OPERATIONS

The loss of the Company for the financial half-year after providing for income tax amounts to \$41,819.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the half year period the Company:

- a) On 20 August 2020 raised \$80,000 of seed capital through the issue of 8,000,000 fully paid ordinary shares at \$0.01 per share to sophisticated investors;
- b) On 12 November 2020 raised \$327,000 through the issue of 6,540,000 fully paid ordinary shares at \$0.05 per share to sophisticated investors;
- c) On 12 November 2020 issued 300,000 fully paid ordinary shares to Shane Goodwin, a related party, at an issue price of \$0.05. These shares were issued for no cash consideration in exchange for services carried out by Shane Goodwin and have been accounted for as a share-based payment. There are no vesting conditions or restrictions attached to the shares. \$15,000 is considered to be the fair value of services provided by Shane Goodwin.
- d) On 29 December 2020 raised \$1,684,200 through the issue of 10,526,250 fully paid ordinary shares at \$0.16 per share to sophisticated investors.

EVENTS OCCURRING AFTER THE REPORTING DATE

Since the end of the financial period the Company has:

- granted 5,540,000 options over ordinary shares (including 1,800,000 incentive options to each of the non-executive directors and 1,440,000 to Taylor Collison). 2,050,000 of these options are exercisable at \$0.36 and will expire on the fourth anniversary of the date the Company is admitted to the official list of the ASX. 2,050,000 options have an exercise price of \$0.42 and will expire on the sixth anniversary of the date of Admission to the official list of the ASX. The remaining 1,440,000 options have an exercise price of \$0.31 and will expire on the third anniversary of the date the Company is admitted to the official list of the ASX.
- entered into a consultancy agreement with Raging Bull Group Pty Ltd, an entity controlled by Patrick Walta, under which Raging Bull is paid a monthly retainer of \$3,000 per month and is issued 600,000 options exercisable in two equal tranches at \$0.36 and \$0.42. The first tranche of options expires 48 months after the date of their issue and the second tranche expires 72 months after the date of their issue.
- entered into Non-Executive Director Letters of Appointment with non-executive directors, setting non-executive director remuneration at \$3,000 per month (exclusive of superannuation).
- entered into a consultancy agreement with Goldfind Exploration Pty Ltd, an entity controlled by Anthony Schreck, under which Goldfind Exploration is paid a monthly retainer of \$18,750 per month, for Anthony Schrecks services as Managing Director of Pacgold Limited.
- entered into a consultancy agreement with Outsourced Accounting Solutions Pty Ltd, an entity controlled by Suzanne Yeates (Chief Financial Officer), under which Outsourced Accounting Solutions is paid a monthly retainer of \$4,000 for the provision of Chief Financial Officer and accounting services.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of Directors.



C Moises

Chair

Brisbane

30 April 2021

DECLARATION OF INDEPENDENCE BY NAME OF JARRAD PRUE TO THE DIRECTORS OF PACGOLD LIMITED

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 April 2021

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

	Half-year	
	2020	2019
	\$	\$
Other income	3	-
Administrative and other expenses	(7,661)	-
Legal fees	(7,462)	-
Share based payments expense	(15,000)	-
Financing costs	(11,699)	-
Loss before income tax expense	(41,819)	-
Income tax expense	-	-
Loss after income tax expense	(41,819)	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	(41,819)	-
	Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:		
Basic earnings per share	(0.54)	-
Diluted earnings per share	(0.54)	-

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,738,284	18,213
Other receivables		15,900	100
Total current assets		<u>1,754,184</u>	<u>18,313</u>
Non-current assets			
Exploration and evaluation assets	3	1,030,358	950,674
Security deposits		662,909	1,000
Total non-current assets		<u>1,693,267</u>	<u>951,674</u>
Total assets		<u>3,447,451</u>	<u>969,987</u>
LIABILITIES			
Current liabilities			
Trade and other payables	4	760,420	97,290
Total current liabilities		<u>760,420</u>	<u>97,290</u>
Non-current liabilities			
Provisions	5	680,736	669,037
Total non-current liabilities		<u>680,736</u>	<u>669,037</u>
Total liabilities		<u>1,441,156</u>	<u>766,327</u>
Net assets		<u>2,006,295</u>	<u>203,660</u>
EQUITY			
Contributed equity	6	2,051,859	1
Reserves		-	207,404
Accumulated losses		(45,564)	(3,745)
Total equity		<u>2,006,295</u>	<u>203,660</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Contributed equity \$	Other reserve \$	Accumulated losses \$	Total \$
Balance at incorporation	-	-	-	-
Loss for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1	-	-	-
Balance at 31 December 2019	1	-	-	-
Balance at 1 July 2020	1	207,404	(3,745)	203,660
Loss for the period	-	-	(41,819)	(41,819)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(41,819)	(41,819)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,036,858	(207,404)	-	1,829,454
Share-based payments	15,000	-	-	15,000
Balance at 31 December 2020	2,051,859	-	(45,564)	2,006,295

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

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Half-year	
	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers (GST inclusive)	-	-
Payments to suppliers and employees (GST inclusive)	(26,534)	-
Interest received	3	-
	<hr/>	<hr/>
Net cash outflow from operating activities	(26,531)	-
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for exploration expenditure	(67,852)	-
Payments for security deposits	(15,000)	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(82,852)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds on issue of shares	1,888,796	-
Payments for capital raising costs	(59,342)	-
	<hr/>	<hr/>
Net cash inflow from financing activities	1,829,454	-
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	1,720,071	-
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	18,213	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,738,284	-
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1 Summary of significant accounting policies

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

These general purpose interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current half-year ended 31 December 2019. The comparative period is from incorporation on 25 September 2019 to 31 December 2019.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

New standards, interpretations and amendments adopted by the group

There are no new standards, interpretations or amendments that have affected the current reporting period and neither has there been a retrospective adjustment or current period adjustment as a result of new standards, interpretations or amendments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1 Summary of significant accounting policies (continued)

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 settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a net loss of \$41,819 and net operating cash outflows of \$26,531 for the half-year ended 31 December 2020. As at 31 December 2020 the Company had a cash balance of \$1,738,284.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise capital as and when necessary;
- completion of an Initial Public Offering (IPO) of its securities prior to 30 June 2021. This process is well advanced with the Company having appointed IPO managers and commenced its due diligence process; and / or
- the successful exploration and subsequent exploitation of the Company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- the successful pre-IPO capital raising completed during H1 FY2021; and
- the Directors believe there is sufficient cash available for the Company to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Note 2 Segment information

The Company operates solely within one segment, being the mineral exploration industry in Australia.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

Note 3 Non-current assets – exploration and evaluation assets

	31 December 2020	30 June 2020
	\$	\$
Exploration and evaluation assets – at cost	1,030,358	972,432
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the year	950,674	-
Expenditure incurred during the period	79,684	281,637
Rehabilitation asset increment (refer note 5)	-	669,037
Balance at the end of the half-year	1,030,358	950,674

Capitalised exploration and evaluation assets include initial acquisition costs, capitalised costs and a rehabilitation asset (refer note 5).

The Directors have assessed that for the exploration and evaluation assets recognised at 31 December 2020, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this, the Directors have had regard to the facts and circumstances that indicate a need for an impairment as noted in Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Note 4 Current liabilities – Trade and other payables

	31 December 2020	30 June 2020
	\$	\$
Unsecured liabilities:		
Trade payables	663,425	-
Sundry payables and accrued expenses	96,500	96,795
Payable to related party	495	495
	760,420	97,290

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

Note 5 Non-current liabilities – Provisions

	31 December 2020	30 June 2020
	\$	\$
Provision for rehabilitation	680,736	669,037
Reconciliation of carrying amount:		
Opening balance	669,037	-
Additions	-	669,037
Unwinding of discount	11,699	-
Balance at the end of the half-year	680,736	669,037

Rehabilitation provision

The rehabilitation provision relates to the Alice River ML's (located in North Queensland). Pacgold Limited is liable to pay 100% of rehabilitation costs for the lease.

The liability associated with the provision has been present valued in accordance with the Company's accounting policy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

Note 6 Contributed equity

	31 Dec 2020 Shares	30 June 2020 Shares	31 Dec 2020 \$	30 June 2020 \$
(a) Share capital				
Fully paid ordinary shares	25,366,251	1	2,051,859	1

(b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2020	Balance		1		1
20 Aug 2020	Placement shares	(c)	8,000,000	\$0.01	80,000
12 Nov 2020	Placement shares	(d)	6,540,000	\$0.05	327,000
12 Nov 2020	Share based payment	(e)	300,000	\$0.05	15,000
29 Dec 2020	Placement shares	(f)	10,526,250	\$0.16	1,684,200
	Share issue costs		-	-	(54,342)
31 Dec 2020	Balance		25,366,251		2,051,859

(c) Issue to sophisticated investors

The issue of a total of 8,000,000 fully paid ordinary shares to sophisticated investors at an issue price of \$0.01 cash.

(d) Issue to sophisticated investors

The issue of a total of 6,540,000 fully paid ordinary shares to sophisticated investors at an issue price of \$0.05 cash.

(e) Issue to related party

The issue of a total of 300,000 fully paid ordinary shares to Shane Goodwin, a related party, at an issue price of \$0.05. These shares were issued for no cash consideration in exchange for services carried out by Shane Goodwin and have been accounted for as a share-based payment. There are no vesting conditions or restrictions attached to the shares. \$15,000 is considered to be the fair value of services provided by Shane Goodwin.

(f) Issue to sophisticated investors

The issue of a total of 10,526,250 fully paid ordinary shares to sophisticated investors at an issue price of \$0.16 cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 7 Contingent liabilities

(i) *Deferred consideration*

Pacgold Limited entered into a Sale and Purchase Agreement with Tinpitch Pty Ltd (“SPA”) to acquire the Alice River Gold Tenements. Under the SPA the following milestone payments are payable as follows:

	Milestone payment	Milestone conditions
Milestone 1 Payment	\$300,000	Definition of a JORC code compliance resource category of indicated or better of 500,000 troy ounces or more of gold or 500,000 troy ounces or more of gold is mined from within the tenements.
Milestone 2 Payment	\$750,000	Definition of a JORC code compliance resource category of indicated or better of 750,000 troy ounces or more of gold or 750,000 troy ounces or more of gold is mined from within the tenements.
Milestone 3 Payment	\$1,200,000	Definition of a JORC code compliance resource category of indicated or better of 1,000,000 troy ounces or more of gold or 1,000,000 troy ounces or more of gold is mined from within the tenements.
Total	\$2,250,000	

(ii) *Royalty Deed*

Pacgold Limited entered into a royalty deed (Royalty Deed) with RoyaltyOne Pty Ltd (RoyaltyOne) dated 20 November 2019 pursuant to which the Company agreed to pay a royalty to RoyaltyOne equal to 2% of the net smelter return for each quarter on and from the date of the deed in consideration for RoyaltyOne entering into a deed poll in which RoyaltyOne guaranteed the payment obligations of the Company to Tinpitch Pty Ltd in relation to the acquisition of the Alice River Project.

Mr Patrick Walta, a related party and promoter of the Company, is the sole director of RoyaltyOne.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 8 Commitments

Exploration commitments

	2020
	\$
Commitments for payments under exploration permits in existence at the reporting date but not recognised as liabilities payable	<u>737,315</u>

So as to maintain current rights to tenure of various exploration tenements, the Company will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

Exploration commitments are calculated on the assumption that each of these tenements will be held for its full term. But, in fact, commitments will decrease materially as exploration advances and ground that is shown to be un-prospective is progressively surrendered. Expenditure commitments on prospective ground will be met out of existing funds and new capital raisings.

As at 31 December 2020 the company has met all of its minimum expenditure commitments on its tenements.

Note 9 Earnings per share

	2020	2019
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Pacgold Limited	<u>(41,819)</u>	-
	Number	Number
Weighted average number of shares used in calculating basic and diluted earnings per share	<u>7,718,547</u>	<u>1</u>
	Cents	Cents
Basic earnings per share	(0.54)	-
Diluted earnings per share	(0.54)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 10 Related party transactions

Related Parties

The company's main related parties are as follows:

a. **Ultimate parent entity**

The company does not have an ultimate parent entity.

b. **Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

c. **Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

d. **Transactions with related parties**

- (i) During the prior financial year, Patrick Walta paid expenses totalling \$495 on behalf of the Company. This amount remains outstanding at 31 December 2020.
- (ii) On 20 November 2019 the Company entered into a Royalty Deed with RoyaltyOne Pty Ltd, a company of which Mr Patrick Walta is the sole director, agreeing to pay a royalty to RoyaltyOne equal to 2% of the net smelter return for each quarter on and from the date of the deed
- (iii) During the half year period directors subscribed for placement shares as follows:
 - Patrick Walta was issued 2,012,500 shares (1,000,000 at \$0.01, 700,000 at \$0.05 and 312,500 at \$0.16 per share)
 - Michael Pitt was issued 1,650,000 shares (1,000,000 at \$0.01, 500,000 at \$0.05 and 150,000 at \$0.16 per share)
 - Shane Goodwin was issued 1,000,000 shares at \$0.01 per share
 - Anthony Schreck was issued 800,000 shares at \$0.05 per share
 - Catherine Moises was issued 625,000 shares at \$0.16 per share
- (iv) During the half year issued 300,000 fully paid ordinary shares to Shane Goodwin, a related party, at an issue price of \$0.05. These shares were issued for no cash consideration in exchange for services carried out by Shane Goodwin and have been accounted for as a share-based payment. There are no vesting conditions or restrictions attached to the shares. \$15,000 is considered to be the fair value of services provided by Shane Goodwin.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 11 Events occurring after the reporting period

Since the end of the financial period the Company has:

- granted 5,540,000 options over ordinary shares (including 1,800,000 incentive options to each of the non-executive directors and 1,440,000 to Taylor Collison). 2,050,000 of these options are exercisable at \$0.36 and will expire on the fourth anniversary of the date the Company is admitted to the official list of the ASX. 2,050,000 options have an exercise price of \$0.42 and will expire on the sixth anniversary of the date of Admission to the official list of the ASX. The remaining 1,440,000 options have an exercise price of \$0.31 and will expire on the third anniversary of the date the Company is admitted to the official list of the ASX.
- entered into a consultancy agreement with Raging Bull Group Pty Ltd, an entity controlled by Patrick Walta, under which Raging Bull is paid a monthly retainer of \$3,000 per month and is issued 600,000 options exercisable in two equal tranches at \$0.36 and \$0.42. The first tranche of options expires 48 months after the date of their issue and the second tranche expires 72 months after the date of their issue.
- entered into Non-Executive Director Letters of Appointment with non-executive directors, setting non-executive director remuneration at \$3,000 per month (exclusive of superannuation).
- entered into a consultancy agreement with Goldfind Exploration Pty Ltd, an entity controlled by Anthony Schreck, under which Goldfind Exploration is paid a monthly retainer of \$18,750 per month, for Anthony Schrecks services as Managing Director of Pacgold Limited.
- entered into a consultancy agreement with Outsourced Accounting Solutions Pty Ltd, an entity controlled by Suzanne Yeates (Chief Financial Officer), under which Outsourced Accounting Solutions is paid a monthly retainer of \$4,000 for the provision of Chief Financial Officer and accounting services.

No other matters or circumstances have arisen since 31 December 2020 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 financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

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

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

On behalf of the directors


C Moises
Chair



30 April 2021
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PacGold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PacGold Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

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

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 30 April 2021