



Prodigy Gold NL



ABN 58 009 127 020

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2019



Contents



ABN 58 009 127 020 ACN 009 127 020

Directors	Mr Thomas McKeith (Chairman) Mr Matthew Briggs (Managing Director) Mr Michael Stirzaker Mr Brett Smith
Secretary	Ms Jutta Zimmermann
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO WA 6008
Bankers	Australia and New Zealand Banking Group Limited Level 10, 77 St Georges Terrace PERTH WA 6000
Share Registry	Automic Pty Ltd (Automic Group) Level 2, 267 St Georges Terrace PERTH WA 6000 Telephone: 1300 288 664 or +61 2 9698 5414
Solicitors	Ward Keller Northern Territory House Level 7, 22 Mitchell Street DARWIN NT 0800 Piper Alderman Level 16, 70 Franklin Street ADELAIDE SA 5000
Stock Exchange	Australian Securities Exchange Limited ASX Code: PRX
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Principal Place of Business	Level 1, 141 Broadway NEDLANDS WA 6009 Telephone +61 8 9423 9777 Fax: + 61 8 9423 9733
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DIRECTORS' REPORT

The Directors of Prodigy Gold NL (Prodigy Gold) present their report on the consolidated entity (Group), consisting of Prodigy Gold NL and the entities it controlled at the end of, and during, the half-year ended 31 December 2019.

Directors

Mr Thomas McKeith	Non-Executive Chairman
Mr Matthew Briggs	Managing Director
Mr Michael Stirzaker	Non-Executive Director
Mr Brett Smith	Non-Executive Director

The Directors have been appointed for the whole period unless otherwise disclosed.

Operating Results

The consolidated loss of the Group for the half-year ended 31 December 2019 after providing for income tax amounted to \$3,418,861 (2018: loss of \$3,363,284).

Review of Operations

Since the start of the 2020 financial year Prodigy Gold:

- Continued exploration on the Company's under-explored and highly prospective tenement holdings in the Tanami region
- Assessed corporate and asset level opportunities, including joint ventures on early stage exploration projects, and divestments
- Undertook exploration programs at the Bluebush Project area covering
 - 192 AC/RAB holes for 15,357 metres, and 12 RC holes for 2,169 metres
 - Gravity survey at Capstan East
- Undertook exploration at the Hyperion Project testing 3 target areas at Seuss with 32 AC/RAB holes for 2,733 metres and diamond drilling of 2 holes for 463m
- Continued mapping and geochemical sampling across the area
- Signed 10-year operator agreement with TRL Tanami over the Old Pirate Project
- Gladiator Resources returned the North Arunta JV tenements to Prodigy Gold
- IGO explored the Lake Mackay Project completing 31 holes for 7,084m of RC drilling into gold and base metal targets
- Exploration commenced on the Tobruk JV with Newmont. 675 geochemical samples across the north of the project area
- Exploration continued on the Euro JV with Newcrest. Activities undertaken during the period
 - drilling 3 RC holes for 900 metres at Dune
 - one NTGS co-funded diamond hole for 616.9m
- Raised \$12 Million to institutional investors

Planned 2020 Activities

- Reconnaissance RAB/AC drilling is proposed for Bluebush to follow up on large scale geochemical anomalies
- Reconnaissance RAB/AC drilling, mapping and litho-geochemistry is planned over the Suplejack North prospect areas
- Reconnaissance RAB/AC drilling of large scale soil gold anomalies is proposed at the North Arunta project
- Diamond drilling to test 3 moving loop EM conductors, beneficiation studies on the Grimlock Co-Ni-Mn Prospect at the IGO JV over the Lake Mackay Project area

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

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

A handwritten signature in black ink, appearing to read 'M Briggs', with a stylized flourish extending to the right.

MATTHEW BRIGGS
Managing Director

Dated this 27th day of February 2020
Perth, Western Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF PRODIGY GOLD NL

As lead auditor for the review of Prodigy Gold NL for the half-year ended 31 December 2019, 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.

This declaration is in respect of Prodigy Gold NL and the entities it controlled during the period.



Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated	
		31 December 2019 \$	31 December 2018 \$
Interest		111,412	81,225
Other income		383,914	61,375
Administrative expenses			
Employee and Directors benefit expenses		(278,644)	(279,350)
Share-based payment expenses	6	(41,227)	(13,077)
Other expenses		(275,807)	(256,385)
Exploration expenses			
Impairment exploration and evaluation expenditure		-	(104,927)
Other exploration expenses		(3,318,509)	(2,852,145)
Loss before income tax expense		(3,418,861)	(3,363,284)
Income tax expense / (benefit)		-	-
Loss for the half-year		(3,418,861)	(3,363,284)
Loss attributable to members of Prodigy Gold NL		(3,418,861)	(3,363,284)
Other comprehensive income		-	-
Total other comprehensive income for the half-year		-	-
Total comprehensive loss for the half-year		(3,418,861)	(3,363,284)
Total comprehensive loss for the half-year attributable to members of Prodigy Gold NL		(3,418,861)	(3,363,284)
Basic loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)		(0.62)	(0.76)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	Consolidated	
		31 December 2019 \$	30 June 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		12,602,214	6,356,062
Other receivables	3	174,857	907,803
Inventories		46,856	143,525
Other current assets		53,080	110,010
TOTAL CURRENT ASSETS		12,877,007	7,517,400
NON-CURRENT ASSETS			
Term Deposits	3	2,427,490	2,427,490
Property, plant and equipment		64,525	84,256
Exploration and evaluation expenditure		9,943,824	9,943,824
TOTAL NON CURRENT ASSETS		12,435,839	12,455,570
TOTAL ASSETS		25,312,846	19,972,970
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		438,445	2,921,645
Employee benefits		197,879	234,178
TOTAL CURRENT LIABILITIES		636,324	3,155,823
NON-CURRENT LIABILITIES			
Employee benefits		58,385	58,385
Provisions		1,686,230	1,686,230
TOTAL NON-CURRENT LIABILITIES		1,744,615	1,744,615
TOTAL LIABILITIES		2,380,939	4,900,438
NET ASSETS		22,931,907	15,072,532
EQUITY			
Contributed equity	4	187,262,068	176,027,723
Reserves		3,237,674	3,336,136
Accumulated losses		(167,567,835)	(164,291,327)
TOTAL EQUITY		22,931,907	15,072,532

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Notes	Contributed Equity \$	Share-based Payment Reserve \$	Employee Options Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2018	172,403,391	3,310,340	-	(159,286,601)	16,427,130
Comprehensive income for the half-year					
Loss for the half-year	-	-	-	(3,363,284)	(3,363,284)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(3,363,284)	(3,363,284)
Transaction with owners in their capacity as owners:					
Shares issued	3,692,156	-	-	-	3,692,156
Share issue cost	(67,824)	-	-	-	(67,824)
Share-based payments	-	21,759	-	-	21,759
Total transactions with owners	3,624,332	21,759	-	-	3,646,091
Balance at 31 December 2018	176,027,723	3,332,099	-	(162,649,885)	16,709,937
Balance at 1 July 2019	176,027,723	3,336,136	-	(164,291,327)	15,072,531
Comprehensive income for the half-year					
Loss for the half-year	-	-	-	(3,418,861)	(3,418,861)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(3,418,861)	(3,418,861)
Transaction with owners in their capacity as owners:					
Shares issued	12,000,000	-	-	-	12,000,000
Share issue cost	(765,655)	-	-	-	(765,655)
Share-base payment reserve adjustment for option cancellation	-	(142,354)	-	142,354	-
Share-based payments	-	43,892	-	-	43,892
Total transactions with owners	11,234,345	(98,462)	-	142,354	11,278,237
Balance at 31 December 2019	187,262,068	3,237,674	-	(167,567,834)	22,931,907

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other Income	338,397	61,375
Payments to suppliers and employees	(704,545)	(510,962)
Interest received	89,067	74,499
R&D uplift refund	172,552	-
Payments for exploration	(4,886,846)	(2,821,656)
Net cash outflow from operating activities	(4,991,375)	(3,196,744)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	3,182	-
Net cash inflow from investing activities	3,182	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	12,000,000	3,692,156
Share issue cost	(765,655)	(55,674)
Release of security deposits (cash-backed)	-	51,087
Net cash inflow from financing activities	11,234,345	3,687,569
Net increase / (decrease) in cash and cash equivalents	6,246,152	490,825
Cash and cash equivalents at beginning of reporting period	6,356,062	6,136,651
Cash and cash equivalents at end of reporting period	12,602,214	6,627,476

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Prodigy Gold NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except for Note 1(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) New accounting standards and interpretations

In the current reporting period, the Group has adopted all the new and revised Standards and Interpretations by the Australian Standards Board ("AASB") that are relevant to its operations and effective for the current reporting period. The adoption of the following new and revised Standards and Interpretations which became effective for the Group on 1 July 2019 has not resulted in a significant or material change to the Group's accounting policies.

The new or amended standard AASB 16 became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of the following standards:

- *AASB 16 Leases*

AASB 16 was adopted from 1 July 2019. It results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exception are short-term and low-value leases. The Group has considered its current leases and considers them as short-term or low value.

(c) Going concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, complete rehabilitation, realise its assets and discharge its liabilities in the ordinary course of business.

The Group has sufficient cash reserves to fund an extensive exploration program and joint venture contributions during the next 12 months.

(d) Estimates

The preparation of the half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: SEGMENT INFORMATION

The full Board of Directors, who are the chief operating decision makers, identified the Exploration segment as the only reportable segment. Management assesses the performance of the operating segments based on a measure of exploration expenditure for each activity. The measure excludes items such as interest income and corporate expenses as these activities are centralised.

	Exploration \$	Total \$
Half-year ended 31 December 2019		
Segment revenue	-	-
Segment other income	383,914	383,914
Segment loss		
Total segment loss	(2,934,596)	(2,934,596)
Net segment loss	(2,934,596)	(2,934,596)
Segment loss includes the following significant items:		
Depreciation expenses	19,293	19,293
Other exploration expenses	3,299,217	3,299,217
Total segment assets		
31 December 2019	10,213,028	10,213,028
Half-year ended 31 December 2018		
Segment revenue	-	-
Segment other income	61,375	61,375
Segment loss		
Total segment loss	(2,895,697)	(2,895,697)
Net segment loss	(2,895,697)	(2,895,697)
Segment loss includes the following significant items:		
Depreciation expenses	29,579	29,579
Impairment exploration and evaluation expenditure	104,927	104,927
Other exploration expenses	2,822,566	2,822,566
Total segment assets		
31 December 2018	10,411,696	10,411,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: SEGMENT INFORMATION cont'd

Reconciliation of segment result to Group net profit/(loss) before tax is provided as follows:

	Consolidated	
	31 December 2019 \$	31 December 2018 \$
Net segment loss	(2,934,596)	(2,895,697)
Corporate items:		
Interest revenue	111,412	81,225
Employee and Directors' benefit expenses	(278,644)	(279,350)
Share-based payments	(41,227)	(13,077)
Other expenses	(275,806)	(256,385)
Net loss before tax from continuing operations	<u>(3,418,861)</u>	<u>(3,363,284)</u>

NOTE 3: TERM DEPOSITS AND OTHER RECEIVABLES

	Consolidated	
	31 December 2019 \$	30 June 2019 \$
CURRENT		
Other receivables (Note 3(a))	<u>174,857</u>	<u>907,803</u>
	<u>174,857</u>	<u>907,803</u>
NON-CURRENT		
Bonds term deposit	<u>2,427,490</u>	<u>2,427,490</u>
	<u>2,427,490</u>	<u>2,427,490</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group, and do not contain any past due assets that are not impaired.

The Group has applied the general approach as permitted by AASB 9 which requires expected lifetime losses to be recognised from initial recognition of the receivable. An allowance for expected credit loss was not recognised based on the Group's credit risk management processes, determining the resulting credit losses as insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 4: CONTRIBUTED EQUITY

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance at the beginning of reporting period	1 July 2018	435,601,334		172,403,391
Share Placement	14 December 2018	45,026,272	0.082	3,692,156
Transaction cost relating to share issue				(67,824)
Closing balance	31 December 2018	<u>480,627,606</u>		<u>176,027,723</u>
Opening balance at the beginning of reporting period	1 July 2019	480,627,606		176,027,723
Share Placement	29 August 2019	100,000,000	0.12	12,000,000
Transaction cost relating to share issue				(765,655)
Closing balance	31 December 2019	<u>580,627,606</u>		<u>187,262,068</u>

NOTE 5: CONTINGENCIES

The Group provides for all known environmental liabilities. While the Directors believe that, based upon current information, its current provisions for the environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

Bank guarantees and bonds lodged with the Department of Primary Industry and Resources (DPIR) totalling \$2,275,504 (2018: \$2,275,504) have been provided. Term deposits of \$2,275,504 (2018: \$2,275,504) secure these guarantees and bonds.

NOTE 6: SHARE-BASED PAYMENTS

During the half-year reporting period ended 31 December 2019, the Group granted 15,000,000 zero exercise price options ("Zepo's" or "Option") as an equity incentive to Matthew Briggs, which were issued on 29 November 2019 following approval by shareholders at the AGM.

The final number of Zepo's vesting is subject to KPI's and Company performance criteria.

The Group granted the Options on the terms and conditions of the Employee Share Option Plan (Plan) as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 6: SHARE-BASED PAYMENTS cont'd

Matthew Briggs Zepo's	Tranche 1A	Tranche 1B	Tranche 2A	Tranche 2B	Tranche 3A	Tranche 3B
Incentive Type	STI	STI	LTI	LTI	LTI	LTI
Number of Zepo's granted	1,250,000	1,250,000	3,125,000	3,125,000	3,125,000	3,125,000
Fair value at grant date	\$0.0735	\$0.0735	\$0.0735	NIL	\$0.0735	NIL
Number of Zepo's vested and exercisable at 31 December 2019	NIL	NIL	NIL	NIL	NIL	NIL
Exercise price	NIL	NIL	NIL	NIL	NIL	NIL
5-day VWAP at grant date	\$0.0735	\$0.0735	\$0.0735	\$0.0735	\$0.0735	\$0.0735
Grant date	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019
Exercise period	127 months					
Expected price volatility	75%	75%	75%	N/A	75%	N/A
Risk free interest rate	1.04%	1.04%	1.04%	N/A	1.04%	N/A
Vesting date (subject to performance conditions and service period)	1 July 2020	1 July 2020	1 July 2021	1 July 2021	1 July 2022	1 July 2022
Performance conditions	Non-market	Non-market	Non-market	Market	Non-market	Market
Likelihood of vesting by vesting date	100%	100%	50%	N/A	50%	N/A

The performance conditions attached to the Tranche 1 STI's, are all subject to non-market conditions. The STI's operate as follows:

- 1,250,000 Tranche 1A options shall vest if Mr Briggs achieves a Board supported acquisition or project divestment between 1 July 2019 and 1 July 2020 (as assessed by the Board), as reduced by the EHS Multiplier; and
- 1,250,000 Tranche 1B options shall vest if Mr Briggs delivers a budgeted work program between 1 July 2019 and 1 July 2020 (as assessed by the Board), as reduced by the EHS Multiplier.

The performance conditions attached to the Tranche 2 LTI's and Tranche 3 LTI's means the achievement of KPIs, comprising the discovery and definition of a substantial new deposit of >1Moz JORC Resource, category inferred or better, within an optimised design and having an average cost of production of <A\$1200/oz (Resource Target) and total shareholder return (TSR) on the 5 day VWAP for the trading days prior to 1 July 2019 (\$0.095) (Base Price), scored and weighted as follows:

KPI	Number of Zepo's	100%	50%	0%
Resource Target Non-market condition	Tranche 2A: 3,125,000 Tranche 3A: 3,125,000	1Moz or more added	At least 500koz, but less than 1Moz, added	Less than 500koz added
TSR Market condition	Tranche 2B: 3,125,000 Tranche 3B: 3,125,000	At least two times the Base Price	At least 1.5 times the Base Price but less than two times the Base Price	Less than 1.5 times the Base Price

The number of options that vest in accordance with the LTI will be reduced by the EHS Multiplier.

EHS Multiplier	Percentage of options subject to EHS Multiplier that vest		
	100%	50%	0%
	No major injuries/incidents	Level 3 incident	Level 4 or 5 incident

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

The fair value of the Zepo's subject to non-market conditions at grant date were determined using a Black-Scholes option pricing model that takes into account the exercise price, the anticipated vesting period, the impact of dilution, the share price at grant date and expected price volatility of the underlying option, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the Zepo's subject to market conditions requires for the share price to rise to 14.5cents per share for 50% of the Zepo's subject to market condition to vest and a rise to 19cents per share for 100% to vest. For the purpose of measurement the board assigned no value to the Zepo's subject to market conditions based on historical share price performance of the Group.

During the period \$37,574 of expense was recorded relating to Zepo's issued to Matthew Briggs.

NOTE 7: RELATED PARTY TRANSACTIONS

Transactions between related parties occur on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated. During the year loan transactions occurred between the Parent Entity and it's wholly owned subsidiaries.

The terms and conditions of the transactions with Directors, other key management personnel and their related parties and entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-Director related parties and entities on an arm's length basis. Share-based payments to Matthew Briggs are detailed in Note 6.

DIRECTORS' DECLARATION

The Directors of the Group declare that:

- (a) the financial statements and notes set out on pages 7 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Prodigy Gold NL will be able to pay its debts as and when they become due and payable, subject to the matters in Note 1(c).

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

Dated this 27th day of February 2020



MATTHEW BRIGGS
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Prodigy Gold NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Prodigy Gold NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 then ended, and notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 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.

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 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 2019 and its financial 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 Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Wayne Basford', is written over a faint, light-colored BDO logo watermark.

Wayne Basford

Director

Perth, 27 February 2020