

EQUATORIAL RESOURCES LIMITED

INTERIM FINANCIAL REPORT ***For the half year ended 31 December 2020***

CORPORATE DIRECTORY

Directors

Ian Middlemas – Chairman
 John Welborn – Managing Director and Chief Executive Officer
 Robert Behets – Non-Executive Director
 Mark Pearce – Non-Executive Director

Company Secretary

Greg Swan

Registered Office

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 Perth WA 6000
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Share Registry

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Stock Exchange

Australian Securities Exchange (ASX)
 Home Branch – Perth
 Level 40, Central Park
 152-158 St Georges Terrace
 Perth WA 6000

ASX Code

EQX – Fully paid ordinary shares

Bankers

Australia and New Zealand Banking Group Limited

Solicitors

DLA Piper Australia

Auditors

Ernst & Young

Website

www.equatorialresources.com.au

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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 of Equatorial Resources Limited for the year ended 30 June 2020 and any public announcements made by Equatorial Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Equatorial Resources Limited present the consolidated financial report of Equatorial Resources Limited ("**Company**" or "**Equatorial**") and the entities it controlled during the half year ended 31 December 2020 ("**Consolidated Entity**" or "**Group**").

DIRECTORS

The names and details of the Company's Directors in office at any time during the half year or since the end of the half year are:

Mr Ian Middlemas – Chairman

Mr John Welborn – Managing Director and Chief Executive Officer *(previously Non-Executive Director until 18 November 2020)*

Mr Robert Behets – Non-Executive Director

Mr Mark Pearce – Non-Executive Director

Unless otherwise stated, all Directors held their office from 1 July 2020 until the date of this report.

OPERATING AND FINANCIAL REVIEW

Operations

During and subsequent to the half year, Equatorial continued to focus on its existing mineral resource assets in Africa as well as searching for new opportunities in the resources sector which have the potential to build shareholder value.

Badondo Iron Project

During the half year, the Company received notification, via publication in the Official Journal of the Republic of Congo, that a decree was issued on 30 November 2020 which purports to award a mining licence for the Company's Badondo iron project ("**Badondo**") to a company named Sangha Mining Development Sasu ("**Sangha Mining**"). The Official Journal also contains separate decrees which purport to award mining licences for Nabeba, previously held by Sundance Resources Limited (ASX:SDL), and Avima, previously held by Core Mining Congo, to Sangha Mining. Sangha Mining is not known to Equatorial and the Company is not aware that Sangha Mining has been previously active in the mining sector of the Republic of Congo ("**RoC**"). The Company considers the sudden awarding of the Badondo, Nabeba and Avima permits to Sangha Mining represents a flagrant breach of the RoC government's obligations under the Mining Code, the relevant Mining Conventions which exist between the permit holders and the RoC government, and international law.

The RoC Mining Code (the "**Mining Code**") provides exclusive priority in the granting of a mining permit to the holder of an exploration permit who is successful in exploration and complies with the Mining Code. Being the uncontested holder of an exclusive valid exploration permit for Badondo since 2009, having complied with all relevant RoC law and regulations, and having successfully explored Badondo and correctly applied for a mining permit in 2016, Equatorial is surprised and shocked by the unlawful and arbitrary actions of the RoC government in awarding a mining licence for Badondo to Sangha Mining. Equatorial continues to believe that its subsidiary company, Congo Mining Exploration Limited ("**CME**"), is legitimately and appropriately entitled to a valid Mining License for Badondo.

The actions of the RoC government in granting multiple mining licences to Sangha Mining are unprecedented, unfair and, in the Company's opinion, unlawful. Sangha Mining has never held any research permit or exploration permit over Badondo and, as far as Equatorial is aware, has conducted no work at Badondo nor made any investment whatsoever in the exploration or development of Badondo. Under the applicable RoC legislation Sangha Mining therefore appears to be ineligible for the grant of exploitation rights over the Badondo tenement.

Through its subsidiary, EEPL Holdings Mauritius ("**EEPL**"), Equatorial has served a Notice of Dispute and Request for Negotiations on the Republic of Congo under the Agreement between the Government of the Republic of Congo and the Government of the Republic of Mauritius for the Reciprocal Promotion and Protection of Investments (the "**Mauritius-RoC Treaty**"). The Mauritius-RoC Treaty requires six months of negotiations before international arbitration may be commenced, with the options including arbitration at the International Centre for Settlement of Investment Disputes (an autonomous institution under the auspices of the World Bank). During this six-month negotiation period, Equatorial (through EEPL) will continue to work in good faith with the RoC government to resolve the dispute and seek that a mining licence for Badondo is correctly awarded to CME along with undertakings from the RoC government that no adverse measures will be taken against EEPL's other investments in RoC. If the investment dispute is not satisfactorily resolved within six months, Equatorial will consider commencing international arbitration proceedings to pursue full compensation from the RoC government. Equatorial has engaged the investor-State dispute settlement team of Magic Circle law firm Clifford Chance to represent the Company in the dispute resolution process with RoC.

OPERATING AND FINANCIAL REVIEW (continued)

Mayoko-Moussondji Iron Project

Equatorial retains a 2% royalty on all future production from the Mayoko-Moussondji iron ore project ("**Mayoko-Moussondji**"), calculated on the value of all sales of ore extracted, produced, sold or otherwise disposed of from the project.

Subsequent to the end of the half year, the owner of Mayoko-Moussondji, Midus Global, announced a plan to advance the project into production within the next two years such that full production from the project will generate annual iron ore sales in excess of US\$300 million at current iron ore prices. Midus Global has secured investment and support from Forbes and Manhattan and is expecting to list on Canada's TSX-Venture stock exchange within the next 90 days.

Corporate

During the period, Equatorial acquired 44,222,223 shares in Salt Lake Potash Limited (ASX:SO4) ("**SO4**").

In July 2020, Equatorial subscribed for \$10.0 million of convertible notes in SO4, which subsequently converted into 22,222,223 ordinary shares in SO4 at a conversion price of \$0.45 per share. In August 2020, Equatorial subscribed for a further 12,000,000 ordinary shares in SO4 at an issue price of A\$0.50 per share for total consideration of \$6.0 million. And in December 2020, Equatorial subscribed for a further 10,000,000 ordinary shares in SO4 at an issue price of A\$0.40 per share for total consideration of \$4.0 million.

Based on SO4's last closing price on ASX on 8 March 2021 of \$0.44, Equatorial's investment in SO4 is valued at \$19.5 million. At 31 December 2020, based on SO4's closing price on ASX on 31 December 2020 of \$0.395, Equatorial's investment in SO4 was valued at A\$17.5 million.

Equatorial remains in a strong financial position with significant cash reserves to progress its current activities and to pursue additional business opportunities in the resources sector.

Operating Results

The net loss of the Consolidated Entity for the half year ended 31 December 2020 was \$5,040,736 (31 December 2019 profit: \$65,716). This loss for the half year is largely attributable to a write-off of exploration and evaluation assets of \$2,146,740 associated with the Company's Badondo iron project and a net decrease in the fair value of financial assets of \$2,352,222.

Financial Position

At 31 December 2020, the Company had cash reserves of \$20,125,500 (30 June 2020: \$40,300,594), listed equity investments of \$17,467,778 (30 June 2020: nil) and no debt, placing the Company in a strong financial position to conduct its current activities and to pursue new business development opportunities. At 31 December 2020, the Company had net assets of \$37,359,208 (30 June 2020: \$42,308,800).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

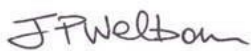
At the date of this report, there are no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2020, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2020, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2020, of the Consolidated Entity.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2020 has been received and can be found on page 4 of the Interim Financial Report.

Signed in accordance with a resolution of the directors.



JOHN WELBORN
Managing Director & CEO

9 March 2021



**Building a better
working world**

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Auditor's independence declaration to the directors of Equatorial Resources Limited

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

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Equatorial Resources Limited and the entities it controlled during the financial period.

Ernst & Young

T S Hammond
Partner
9 March 2021

	Notes	Half Year ended 31 Dec 2020 \$	Half Year ended 31 Dec 2019 \$
Operations			
Interest income		102,674	414,939
Exploration and evaluation expenses		(94,046)	(42,779)
Corporate and administrative expenses		(218,916)	(161,399)
Business development expenses		(250,058)	(140,236)
Share-based payment expense	8	(91,428)	-
Other income and expenses	3	(4,488,962)	(4,809)
(Loss)/profit before income tax		(5,040,736)	65,716
Income tax expense		-	-
(Loss)/profit for the period		(5,040,736)	65,716
Attributable to:			
Equity holders of the parent		(4,600,425)	65,716
Non-controlling interests		(440,311)	-
		(5,040,736)	65,716
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		(284)	(721)
Other comprehensive (loss)/income for the period, net of tax		(284)	(721)
Total comprehensive (loss)/income for the period		(5,041,020)	64,995
Attributable to:			
Equity holders of the parent		(4,600,654)	64,995
Non-controlling interests		(440,366)	-
		(5,041,020)	64,995
Earnings per share			
Basic and diluted (loss)/earnings per share (cents per share)		(0.04)	0.05

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

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	20,125,500	40,300,594
Financial assets	5	17,467,778	-
Trade and other receivables		25,805	83,025
Total Current Assets		37,619,083	40,383,619
Non-current Assets			
Exploration and evaluation assets	6	-	2,146,868
Total Non-Current Assets		-	2,146,868
TOTAL ASSETS		37,619,083	42,530,487
LIABILITIES			
Current Liabilities			
Trade and other payables		259,875	221,687
Total Current Liabilities		259,875	221,687
TOTAL LIABILITIES		259,875	221,687
NET ASSETS		37,359,208	42,308,800
EQUITY			
Contributed equity	7	177,682,852	177,682,852
Reserves	8	311,643	220,444
Accumulated losses		(138,939,809)	(134,339,384)
Equity attributable to equity holders of the parent		39,054,686	43,563,912
Non-controlling interests		(1,695,478)	(1,255,112)
TOTAL EQUITY		37,359,208	42,308,800

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

	Contributed Equity	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	177,682,852	-	220,444	(134,339,384)	(1,255,112)	42,308,800
Net loss for the period	-	-	-	(4,600,425)	(440,311)	(5,040,736)
Other comprehensive (loss)/income:						
Exchange differences on translation of foreign operations	-	-	(229)	-	(55)	(284)
Total comprehensive loss for the period	-	-	(229)	(4,600,425)	(440,366)	(5,041,020)
Transactions with owners, recorded directly in equity						
Share-based payments expense	-	91,428	-	-	-	91,428
Balance at 31 December 2020	177,682,852	91,428	220,215	(138,939,809)	(1,695,478)	37,359,208
Balance at 1 July 2019	177,682,852	57,933	273,124	(135,515,085)		42,498,824
Net profit for the period	-	-	-	65,716		65,716
Other comprehensive (loss)/income:						
Exchange differences on translation of foreign operations	-	-	(721)	-		(721)
Total comprehensive (loss)/income for the period	-	-	(721)	65,716		64,995
Transactions with owners, recorded directly in equity						
Share-based payments expense	-	4,809	-	-		4,809
Balance at 31 December 2019	177,682,852	62,742	272,403	(135,449,369)		42,568,628

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

	Half Year ended 31 Dec 2020	Half Year ended 31 Dec 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers, employees and others	(499,452)	(361,215)
Interest received	144,358	451,777
Net cash flows from operating activities	(355,094)	90,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets	(19,820,000)	-
Net cash flows from investing activities	(19,820,000)	-
Net increase/(decrease) in cash and cash equivalents	(20,175,094)	90,562
Cash and cash equivalents at beginning of period	40,300,594	40,276,839
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	40,367,401

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equatorial Resources Limited ("Equatorial" or the "Company") is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial statements of the Company as at and for the period from 1 July 2020 to 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

The interim consolidated financial statements of the Group for the half year ended 31 December 2020 were authorised for issue in accordance with the resolution of the directors on 3 March 2021.

(a) Basis of Preparation of Half Year Financial Report

The interim consolidated financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars, unless otherwise stated.

The interim consolidated financial statements have been prepared on a going concern basis that contemplates the continuity of normal business activities and the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

(b) Statement of Compliance

This general purpose interim consolidated financial report for the half year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2020. The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2020, other than as detailed below.

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2018-6 Amendments to AASs – Definition of a Business
- AASB 2018-7 Amendments to AASs – Definition of Material
- AASB 2019-1 Amendments to AASs – References to the Conceptual Framework
- AASB 2019-3 Amendments to AASs – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to AASs – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new standards have not had a material effect on the Group's financial statements.

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2020. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2020-8 Amendments to AASs – Interest Rate Benchmark Reform – Phase 2	1 January 2021	1 July 2021
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	1 July 2021
AASB 2020-3 Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments	1 January 2022	1 July 2022
AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2022	1 July 2022
AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current	1 January 2023	1 July 2023

(c) Changes in Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2020, except for new standards, amendments to standards and interpretations effective 1 July 2020 as set out in note 1(b).

2. SEGMENT INFORMATION

AASB 8 *Operating Segments*, requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

3. OTHER INCOME AND EXPENSES

	31 Dec 2020	31 Dec 2019
	\$	\$
Sale of royalty	10,000	-
Net change in fair value of financial assets ⁽¹⁾	(2,352,222)	-
Write-off of exploration and evaluation assets ⁽²⁾	(2,146,740)	(4,809)
	(4,488,962)	(4,809)

Notes:

⁽¹⁾ At 31 December 2020, the Company holds 44,222,223 ordinary shares in Salt Lake Potash Limited (ASX:SO4) (30 June 2020: nil). See Note 5 for details.

⁽²⁾ During the half year, the Company received notification, via publication in the Official Journal of the Republic of Congo, that a decree was issued on 30 November 2020 which purports to award a mining licence for the Company's Badondo project to a company named Sangha Mining Development Sasu ("Sangha Mining"). As a result, the Badondo Iron Project has been fully written off during the period, see Note 6 for details. Through its subsidiary, EEPL Holdings Mauritius ("EEPL"), Equatorial has served a Notice of Dispute and Request for Negotiations on the Republic of Congo under the Agreement between the Government of the Republic of Congo and the Government of the Republic of Mauritius for the Reciprocal Promotion and Protection of Investments (the "Mauritius-RoC Treaty").

4. CASH AND CASH EQUIVALENTS

	31 Dec 2020	30 Jun 2020
	\$	\$
Cash on hand	20,125,500	2,875,594
Deposits at call	-	37,425,000
	20,125,500	40,300,594

5. FINANCIAL ASSETS

During the period, Equatorial acquired 44,222,223 shares in Salt Lake Potash Limited (ASX:SO4) ("SO4"). In July 2020, Equatorial subscribed for \$10.0 million of convertible notes in SO4, which subsequently converted into 22,222,223 ordinary shares in SO4 at a conversion price of \$0.45 per share. In August 2020, Equatorial subscribed for a further 12,000,000 ordinary shares in SO4 at an issue price of A\$0.50 per share for total consideration of \$6.0 million. And in December 2020, Equatorial subscribed for a further 10,000,000 ordinary shares in SO4 at an issue price of A\$0.40 per share for total consideration of \$4.0 million.

Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The quoted equity investments held by the Company are Level 1 in the fair value hierarchy as the valuation technique and key inputs are quoted bid prices in an active market. The net change in fair value of financial assets for the period was an expense of \$2,352,222 (31 December 2019: nil). See Note 3 for details.

	31 Dec 2020	30 Jun 2020
	\$	\$
Financial assets at fair value through profit or loss		
Quoted equity investments	17,467,778	-

6. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2020	30 Jun 2020
	\$	\$
Areas of Interest		
Badondo Iron Project ⁽¹⁾	-	2,146,868

Notes:

⁽¹⁾ During the half year, the Company received notification, via publication in the Official Journal of the Republic of Congo, that a decree was issued on 30 November 2020 which purports to award a mining licence for the Company's Badondo project to a company named Sangha Mining Development Sasu ("Sangha Mining"). As a result, the Badondo Iron Project has been fully written off during the period. See Note 3 for details. Through its subsidiary, EEPL Holdings Mauritius ("EEPL"), Equatorial has served a Notice of Dispute and Request for Negotiations on the Republic of Congo under the Agreement between the Government of the Republic of Congo and the Government of the Republic of Mauritius for the Reciprocal Promotion and Protection of Investments (the "Mauritius-RoC Treaty").

7. CONTRIBUTED EQUITY

	31 Dec 2020	30 Jun 2020
	\$	\$
Issued capital		
Fully paid ordinary shares: 124,445,353 (30 June 2020: 124,445,353)	177,682,852	177,682,852

There were no movements in ordinary shares during the period.

8. RESERVES

		31 Dec 2020	30 Jun 2020
		\$	\$
Share-based payments reserve	8(a)	91,428	-
Foreign currency translation reserve		220,215	220,444
		311,643	220,444

(a) Movements in share-based payments reserve during the period

Date	Details	\$
1 July 2020	Opening Balance	-
1 Jul 20 – 31 Dec 20	Share-based payment expense ⁽¹⁾	91,428
31 Dec 20	Closing Balance	91,428

Notes:

⁽¹⁾ During the period the Company announced the proposed issue of incentive options and performance rights to Managing Director and Chief Executive Officer Mr John Welborn. These share-based payments are pending shareholder approval at 31 December 2020.

9. CONTINGENT ASSETS AND LIABILITIES

There have been no material changes to the commitments or contingencies disclosed in the most recent annual financial report of the Company.

10. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividend has been paid or provided for during the half year (31 December 2019: Nil).

11. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report, there are no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2020, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 31 December 2020, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 31 December 2020, of the Consolidated Entity.

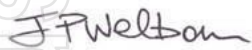
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Equatorial Resources Limited:

In the opinion of the directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) section 304 (compliance with accounting standards and the Corporations Regulations 2001) and;
 - (ii) section 305 (giving a true and fair view of the financial position of the Group as at 31 December 2020 and of its performance for the half year ended on that date); and
- (b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



JOHN WELBORN
Managing Director & CEO

9 March 2021



**Building a better
working world**

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Independent auditor's review report to the members of Equatorial Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Equatorial Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial 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 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2020 and its consolidated 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*.

The Ernst & Young logo is written in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'T S Hammond'.

T S Hammond
Partner
Perth
9 March 2021