

Renascor Resources Limited

ABN 90135531341

Financial Report - 31 December 2018

Directors	Richard Keevers (Non-Executive Chairman) David Christensen (Managing Director) Geoffrey McConachy (Non-Executive Director) Chris Anderson (Non-Executive Director - resigned 17 October 2018) Stephen Bizzell (Non-Executive Director)
Company secretary	Pierre van der Merwe
Registered office & principal place of business	36 North Terrace Kent Town SA 5069 Phone : + 61 8 8363 6989
Share register	Link Market Services Limited ANZ Building Level 15, 324 Queen Street Brisbane QLD 4000 Phone: + 61 2 8280 7454 Fax: + 61 2 9287 0303
Auditor	BDO Audit (SA) Pty Ltd
Stock exchange listing	Renascor Resources Limited shares are listed on the Australian Securities Exchange (ASX code: RNU)
Website	www.renascor.com.au
Business objectives	Renascor Resources is an Australian-based company focused on the development of economically viable deposits containing graphite and other minerals. Renascor has an extensive tenement portfolio, holding interests in key mineral provinces of South Australia and Western Australia. Its projects include the Siviour graphite project near Arno Bay, South Australia. The principal activity of the Group during the financial year was mineral exploration and evaluation.
Corporate Governance Statement	<p>The board of directors of the Company ("Board") is responsible for the corporate governance of the Company. The board guides and monitors the business affairs of the Company on behalf of its shareholders by whom they are elected and to whom they are accountable. The Company believes that good corporate governance enhances investor confidence and adds value to stakeholders. The Board continually monitors and reviews its policies, procedures and charters with a view to ensure its compliance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations, 3rd Edition" to the extent considered appropriate for the size of the Company and its scale of its operations.</p> <p>The Company's Corporate Governance Statement is available on the Company's website. www.renascor.com.au/corporate-governance</p>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Renascor Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Review of operations

Corporate and financial

For the half-year ended 31 December 2018, the loss for the Group after providing for income tax amounted to \$812,309 (2017: \$2,736,887). This included an impairment write down of capitalised exploration and evaluation expenditure of \$365,041 (2017: \$2,288,298).

On 22nd of November 2018 the Company announced that it had completed the 100% acquisition of Ausmin Development Pty Ltd (Ausmin), which holds the rights to the Siviour Graphite Project. Previously, at a shareholder meeting on 3 September 2018, Renascor's shareholders had granted approval for the Company to acquire all of the shares in Ausmin in exchange for approximately 189.6 million shares in Renascor.

Operations

Renascor's activities during the period ended 31 December 2018 were primarily directed at developing the Siviour Graphite Project.

Significant activities undertaken on the Siviour Graphite Project during the year included:

- Rapid advancement of Siviour Graphite Project continues, with Siviour Definitive Feasibility Study (DFS) expected to be completed in the second quarter of 2019.
- Strategic partnership agreement executed with highly respected international EPC contractor Royal IHC Australia to accelerate Siviour's development
- The mineral application for the development of the Siviour Graphite Project was lodged with South Australia's Department for Energy and Mining. Independent testing confirmed ability to upgrade Siviour graphite concentrates to 99.96% total carbon through caustic roasting, suggesting potential to drive lower OPEX for Siviour spherical graphite production.

In addition to its activities at the Siviour Graphite Project, Renascor has maintained a strong exploration portfolio, identifying and maintaining a strong pipeline of targets for development of copper, gold, nickel, cobalt and other mineral assets. To limit non-essential expenditure, Renascor has also relinquished tenements considered less prospective.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



David Christensen
Director

8 March 2019

**DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF RENASCOR RESOURCES LIMITED**

As lead auditor for the review of Renascor Resources Limited for the half-year ended 31 December 2018, 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 Renascor Resources Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 8 March 2019

Renascor Resources Limited
Contents
For the half-year ended 31 December 2018



Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	14
Independent auditor's review report to the members of Renascor Resources Limited	15

General information

The financial statements cover Renascor Resources Limited as a Group consisting of Renascor Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Renascor Resources Limited's functional and presentation currency.

Renascor Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

36 North Terrace
Kent Town SA 5067
Phone: + 61 8 8363 6989
Website: www.renascor.com.au

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 March 2019.

Renascor Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018



	Consolidated	
	31 December 2018	31 December 2017
Note	\$	\$
Revenue		
Other income	-	3,667
Interest revenue calculated using the effective interest method	57,594	13,205
Expenses		
Administration and consulting	(158,797)	(123,713)
Depreciation and amortisation expense	(1,022)	(1,235)
Employee benefits expense	3 (235,535)	(172,538)
Office accommodation	(15,298)	(15,298)
Impairment of exploration expenditure	4 (365,041)	(2,288,298)
Legal fees	(13,675)	(4,859)
Other expenses	5 (80,535)	(147,818)
Loss before income tax expense	(812,309)	(2,736,887)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of Renascor Resources Limited	(812,309)	(2,736,887)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to the owners of Renascor Resources Limited	(812,309)	(2,736,887)
	Cents	Cents
Basic earnings per share	(0.08)	(0.49)
Diluted earnings per share	(0.08)	(0.49)

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

Renascor Resources Limited
Statement of financial position
As at 31 December 2018



	Consolidated	
	31 December	
Note	2018	30 June 2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,179,336	8,188,830
Other receivables	91,141	288,551
Other	27,546	8,850
Total current assets	<u>5,298,023</u>	<u>8,486,231</u>
Non-current assets		
Receivables	20,000	20,000
Property, plant and equipment	3,730	4,751
Exploration and evaluation	6 13,014,248	7,369,924
Total non-current assets	<u>13,037,978</u>	<u>7,394,675</u>
Total assets	<u>18,336,001</u>	<u>15,880,906</u>
Liabilities		
Current liabilities		
Trade and other payables	324,499	603,176
Provisions	225,331	222,792
Total current liabilities	<u>549,830</u>	<u>825,968</u>
Total liabilities	<u>549,830</u>	<u>825,968</u>
Net assets	<u>17,786,171</u>	<u>15,054,938</u>
Equity		
Issued capital	7 32,210,012	28,752,262
Reserves	316,020	230,228
Accumulated losses	(14,739,861)	(13,927,552)
Total equity	<u>17,786,171</u>	<u>15,054,938</u>

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

Renascor Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2018



Consolidated	Contributed Equity \$	Share-based Payments Reserve \$	Business Combination Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2017	18,628,616	1,400,629	(1,417,790)	(10,493,009)	8,118,446
Loss after income tax expense for the half-year	-	-	-	(2,736,887)	(2,736,887)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(2,736,887)	(2,736,887)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,696,371	-	-	-	2,696,371
Share-based payments (note 12)	-	247,389	-	-	247,389
Balance at 31 December 2017	<u>21,324,987</u>	<u>1,648,018</u>	<u>(1,417,790)</u>	<u>(13,229,896)</u>	<u>8,325,319</u>

Consolidated	Contributed equity \$	Share-based Payments Reserve \$	Business Combination Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2018	28,752,262	1,648,018	(1,417,790)	(13,927,552)	15,054,938
Loss after income tax expense for the half-year	-	-	-	(812,309)	(812,309)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(812,309)	(812,309)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 12)	3,457,750	85,792	-	-	3,543,542
Balance at 31 December 2018	<u>32,210,012</u>	<u>1,733,810</u>	<u>(1,417,790)</u>	<u>(14,739,861)</u>	<u>17,786,171</u>

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

Renascor Resources Limited
Statement of cash flows
For the half-year ended 31 December 2018



	Consolidated	
Note	31 December 2018	31 December 2017
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(898,148)	(508,156)
Receipts from Goods & Services Tax paid	238,701	57,724
Interest received	57,594	13,205
Research & Development tax concession	188,974	-
	<u>(412,879)</u>	<u>(437,227)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(1,812)
Payments for exploration and evaluation	6 (2,596,615)	(675,639)
	<u>(2,596,615)</u>	<u>(677,451)</u>
Cash flows from financing activities		
Proceeds from issue of shares	7 -	3,051,877
Share issue transaction costs	-	(244,708)
	<u>-</u>	<u>2,807,169</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	(3,009,494)	1,692,491
Cash and cash equivalents at the beginning of the financial half-year	8,188,830	1,230,213
Cash and cash equivalents at the end of the financial half-year	<u>5,179,336</u>	<u>2,922,704</u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 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. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The application of these standards and interpretations has had no material impact on the disclosures or amounts recognised in the consolidated financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Directors believe it is appropriate to prepare the consolidated financial report on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business. As disclosed in the financial report, the group has incurred a loss after tax for the period of \$812,309 (2017: \$2,736,887) and net operating cash outflow of \$412,879 (2017: \$437,227). At 31 December 2018, the Group had net current assets of \$4,748,193 (30 June 2018: \$7,660,263).

The consolidated entity's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. The matters set out above indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

Note 2. Operating segments

The Group has identified its operating segments based on the internal reports that reviewed and used by the Managing Director (Chief Operating Decision Maker 'CODM') and the board of directors in assessing performance determining the allocation of resources. The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated level. The Group does not have any products or services it derives revenue from.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration for graphite, copper, gold, uranium and other minerals in Australia. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Note 3. Employee benefits expense

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Employee benefits expense	123,888	148,001
Employee share-based payment expense	85,792	-
Defined contribution superannuation expense	25,855	24,537
	<u>235,535</u>	<u>172,538</u>

Employee share-based payment expense comprises of Performance Rights granted to Mr David Christensen. Further information pertaining to the Performance Rights can be found in Note 12. "Share Based Payments".

Note 4. Impairment of exploration expenditure

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Impairment of exploration expenditure	<u>365,041</u>	<u>2,288,298</u>

Note 5. Other expenses

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Business development & marketing	14,777	25,000
Investor and public relations	38,396	69,405
Travel	23,001	36,719
Other expenses	4,361	16,694
	<u>80,535</u>	<u>147,818</u>

Note 6. Non-current assets - exploration and evaluation

	31 December 2018	31 December 2017
	\$	\$
Movements in exploration and evaluation assets		
Cost brought forward at 1 July	7,369,924	7,333,025
Expenditure during the period	2,596,615	974,246
Acquisition of Ausmin Development Pty Ltd	3,412,750	-
Impairment losses	(365,041)	(2,288,298)
Balance at 31 December	<u>13,014,248</u>	<u>6,018,973</u>

Note 7. Equity - issued capital

	31 December 2018 Shares	Consolidated 30 June 2018 Shares	31 December 2018 \$	30 June 2018 \$
Ordinary shares - fully paid	<u>1,153,424,340</u>	<u>961,327,113</u>	<u>32,210,012</u>	<u>28,752,262</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	961,327,113		28,752,262
Issue of Ordinary Shares as consideration for marketing services provided	22 November 2018	2,500,000	\$0.02	45,000
Issue of Ordinary Shares as consideration for the acquisition of Ausmin Development Pty Ltd	22 November 2018	<u>189,597,227</u>	\$0.02	<u>3,412,750</u>
Balance	31 December 2018	<u>1,153,424,340</u>		<u>32,210,012</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 8. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 9. Contingent liabilities

Renascor has entered into an agreement with a service provider to contribute \$1 million of services towards the definitive feasibility study on the basis that they will subsequently be awarded the engineering, procurement and construction contract for the Siviour project. Renascor will be liable to reimburse this contribution in either cash or equity if the contract is not awarded to this party.

The service provided under this agreement to 31 December 2018 amounted to \$212,233.

Note 10. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2018 %	30 June 2018 %
Kulripa Uranium Pty Ltd	Australia	100.00%	100.00%
Astra Resources Pty Ltd	Australia	100.00%	100.00%
Sol Jar Property Pty Ltd	Australia	100.00%	100.00%
Eyre Peninsula Minerals Pty Ltd	Australia	100.00%	100.00%
Ausmin Development Pty Ltd	Australia	100.00%	-

The Company completed a transaction to acquire 100% of Ausmin Development Pty Ltd (Ausmin), which holds the rights to the Siviour Graphite Project. As consideration, the Company issued 189,597,227 ordinary shares. For accounting purposes the Company has treated the acquisition as an asset acquisition.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 12. Share-based payments

Exploration and evaluation share based payments

During the period the Company issued 189,597,227 shares to acquire 100% of the shares of Ausmin Development Pty Ltd which owns the rights to the Siviour Graphite Project.

The amount of the equity settled share-based payment recognised in the current period in respect of the ordinary shares issued is \$3,412,750 (2017: \$0). Amounts previously recognised have been included as exploration and evaluation expenditure within the non-current assets in the statement of financial position.

Share based payments to consultants

During the period the amount of the equity settled share-based payment recognised in the current period in respect of shares issued to consultants was \$45,000 (2017: \$Nil). These shares were issued as consideration for marketing services provided. The consultants received 2,500,000 ordinary shares (2017: Nil)

Performance rights granted to directors and senior management

At the Extraordinary General Meeting held on 3 September 2018 Shareholders of the Company granted approval for the issue of performance rights to Mr David Christensen. Details of the performance rights are in the Notice of Extra Ordinary General Meeting dated 1 August 2018. However the vesting conditions are outlined below:

Tranche A Performance Rights. 6,000,000 Performance Rights will vest upon the completion of a positive Definite Feasibility Study in respect of the production of graphite concentrates.

Tranche B Performance Rights. 6,000,000 Performance Rights will vest upon the commencement of construction of a commercial graphite concentrate production facility

Tranche C Performance Rights. 6,000,000 Performance Rights will vest upon (i) the share price of Renascor ordinary shares having achieved a closing price of in excess of \$0.055 for five consecutive days after the issue date of such Performance Rights, and (ii) the date that is two and one-half years after the issue date of such Performance Rights.

Note 12. Share-based payments (continued)

The Performance Rights are expensed over the expected vesting period. The total value of Performance Rights recognised in the current period is \$85,792 (2017: \$0).

The performance rights were valued as outlined below:

	Total value at grant date \$	Expensed in the period \$
Tranche A	108,000	58,154
Tranche B	108,000	21,932
Tranche C	45,600	5,706
Total	<u>261,600</u>	<u>85,792</u>

The tranches were valued using the Black Scholes pricing model that takes into account the term of the Performance Rights, the vesting and performance criteria (if applicable), the non-tradable nature of the rights (if applicable), the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, the probability that the Performance Rights will issue and the risk free interest rate for the term of the Performance Right.

The probability that the Tranche C rights will vest (38%) was determined using the Monte Carlo simulation. This model takes into account the randomness of the share price movements and the volatility of the underlying share.

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
Tranche A	22/11/2018	22/11/2022	\$0.02	\$0.00	94.66%	-	2.30%	\$0.020
Tranche B	22/11/2018	22/11/2022	\$0.02	\$0.00	94.66%	-	2.30%	\$0.020
Tranche C	22/11/2018	22/11/2022	\$0.02	\$0.00	94.66%	-	2.30%	\$0.008

Renascor Resources Limited
Directors' declaration
For the half-year ended 31 December 2018



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 Group's financial position as at 31 December 2018 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

A handwritten signature in black ink, appearing to read "M E Christensen", written over a horizontal line.

David Christensen
Director

8 March 2019

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Renascor Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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, 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 2018 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 *Corporations Regulations 2001*.

Emphasis of matter - 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 Group's ability to continue as a going concern and therefore the Group 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.

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 2018 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.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle
Director

Adelaide, 8 March 2019