

THOMSON RESOURCES LTD

ABN 82 138 358 728

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2018

Directors' Report

Your directors submit their report for Thomson Resources Ltd for the half year ended 31 December 2018.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Lindsay Gilligan	Non-Executive Chairman
Eoin Rothery	Executive Director - CEO
Greg Jones	Non-Executive Director
Antonio Belperio	Non-Executive Director

Review and results of operations

The net results of operations after income tax expense for the half year was a loss of \$921,607 (2017: profit \$317,102).

Thomson continued its exploration at the Bygoo Tin Project and Harry Smith Gold Project with successful drilling during the half year intersecting high grade tin and gold of similar tenor to those previously recorded. A new, shallow greisen zone was delineated at Bygoo North and encouraging intercepts were made in Thomson's first drilling at the Big Bygoo Tin prospect. High grade gold at shallow depths was intercepted at the Harry Smith Gold Project for the first time. Further drilling at Bygoo, Harry Smith and other prospects in the regional area is planned for 2019.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc, MAIG RPA Geo), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Principal activities

The principal activity of the Company is exploration for the discovery and delineation of high-grade base and precious metal deposits principally within the Lachlan and Thomson Fold Belt of NSW and the development of those resources into cash flow generating businesses. In addition, the Company continues to review other opportunities in the Australian minerals sector.

Dividends

No dividends were paid or proposed during the period.

Significant events after the balance date

On 1 March 2019 the Company announced that it had entered into an agreement to acquire a gold exploration project in the Chillagoe district of north Queensland comprising of 6 EPMs (Exploration Permit for Minerals), 3 of which are granted. Thomson Resources is acquiring a 90% interest in the Project from private company Bacchus Resources Pty Ltd (**Bacchus**). Bacchus will retain a 10% free carried interest until any part of the tenements are converted to a Mineral Lease pursuant to a decision to mine. The consideration for the acquisition is \$50,000 cash and 5 million options at an exercise price of 6cents, and valid for 3 years from date of issue.

The announcement also noted that the Company's tenement review identified five titles and one application that, although prospective, needed higher cost exploration with deep drilling. These are being surrendered in favour of the shallow to outcropping targets available at the new Queensland project as well as at Thomson's Bygoo Tin and Harry Smith Gold projects. The carrying costs of those tenements amounting to \$569,000 have been written off effective 31 December 2018 as reflected in these financial statements.

Apart from this there were, at the date of this report, no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the Corporations Act 2001 is set out on page 13.

Signed at Sydney this 13th day of March 2019 in accordance with a resolution of the directors.



Lindsay Gilligan
Chairman

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Revenue	4	5,536	564,293
ASX and ASIC fees		(25,124)	(22,787)
Audit fees		(14,300)	(10,500)
Contract administration services		(39,996)	(31,893)
Depreciation expense		(668)	(358)
Employee costs (net of costs recharged to exploration projects)		(27,290)	(9,798)
Exploration expenditure expensed		(691,375)	(137,822)
Insurance costs		(7,352)	(6,070)
Rent		(10,800)	(10,800)
Share based payments		(86,250)	-
Other expenses from ordinary activities		(23,988)	(17,163)
Profit/ (loss) before income tax expense		(921,607)	317,102
Income tax expense		-	-
Profit/ (loss) after income tax expense		(921,607)	317,102
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income/(loss) for the period attributable to members of Thomson Resources Ltd		(921,607)	317,102
Basic gain/(loss) per share (cents per share)	8	(0.83)	0.31
Diluted gain/(loss) per share (cents per share)	8	(0.83)	0.31

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	455,294	802,650
Receivables		20,429	12,366
Tenement security deposits			10,000
Total current assets		475,723	825,016
Non-current assets			
Tenement security deposits	7	130,000	120,000
Property, plant and equipment		2,816	3,484
Deferred exploration and evaluation expenditure	6	2,102,494	2,441,127
Total non-current assets		2,235,310	2,564,611
Total assets		2,711,033	3,389,627
LIABILITIES			
Current liabilities			
Payables		71,072	93,386
Provisions		37,167	42,451
Total current liabilities		108,239	135,837
Non-current liabilities			
Provisions		33,369	32,135
Total non-current liabilities		33,369	32,135
Total liabilities		141,608	167,972
Net assets		2,569,425	3,221,655
EQUITY			
Contributed equity	9	8,643,335	8,460,208
Accumulated losses		(6,388,160)	(5,466,553)
Reserves	10	314,250	228,000
Total equity		2,569,425	3,221,655

The 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 2018

Note	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2017	8,138,559	(6,174,657)	211,995	2,175,897
Profit/(loss) for the period	-	317,102	-	317,102
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	317,102	-	317,102
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	50,000	-	-	50,000
Cost of share based payments taken directly to equity	-	-	37,200	37,200
Expired and exercised option value transferred to Accumulated Losses	-	42,195	(42,195)	-
At 31 December 2017	8,188,559	(5,815,360)	207,000	2,580,199

Note	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2018	8,460,208	(5,466,553)	228,000	3,221,655
Profit/(loss) for the period	-	(921,607)	-	(921,607)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(921,607)	-	(921,607)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	183,127	-	-	183,127
Cost of share based payments expensed during the period	-	-	86,250	86,250
Expired and exercised option value transferred to Accumulated Losses	-	-	-	-
At 31 December 2018	8,643,335	(6,388,160)	314,250	2,569,425

The 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 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Cash flows from operating activities			
Payment to suppliers and employees		(153,605)	(153,201)
R&D tax concession offset		-	-
Interest received		5,536	657
Joint Venture Income		-	620,000
Consulting fees received		-	-
Net cash flows (used in) operating activities		(148,069)	467,456
Cash flows from investing activities			
Purchase of plant and equipment		-	(3,018)
Expenditure on mining interests (exploration)		(338,414)	(219,600)
Net cash flows (used in) investing activities		(338,414)	(222,618)
Cash flows from financing activities			
Proceeds from issue of shares		141,011	-
Proceeds from borrowings		(1,884)	-
Net cash flows from financing activities		139,127	-
Net increase (decrease) in cash held		(347,356)	244,838
Add opening cash brought forward		802,650	146,345
Closing cash carried forward	5	455,294	391,183

The 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 2018

1. Corporate information

The financial report of Thomson Resources Ltd (the Company) for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 13 March 2019. Thomson Resources Ltd (the Parent) is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange using the ASX code TMZ.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of TMZ as at 30 June 2018.

It is also recommended that the half year financial report be considered together with any public announcements made by TMZ during the half year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis.

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

Significant accounting policies

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018.

Management has reviewed and assessed the new accounting standards effective 1 July 2018 and these have been deemed to be not applicable to the Group.

Fair value measurement

The carrying amounts of the Group's assets and liabilities are a reasonable approximation of their fair values. The only exception to this is the carrying amount of deferred exploration and evaluation expenditure which is estimated to be not in excess of its fair value.

Basis of consolidation

The half year consolidated financial statements comprise the financial statements of Thomson Resources Ltd and its subsidiaries (the Group). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. The subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors are investigating options to raise additional funds to meet the Group's minimum project development and administrative expenses in the next twelve months following the date of signing of the financial report. The Company has signed a Farm-In and JV Agreement with a North American private investor for its Bygoo Tin Project as per the ASX announcement on 21 November 2016.

The Directors believe that, subject to the ability to raise the required additional funds and the continued reduction in operating costs, the Group will have sufficient working capital to enable the Group to continue as a going concern.

If all of these options are unsuccessful, this may indicate there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

3. Financial report by segment

The operating segments identified by management are as follows:

(a) Exploration projects funded directly by Thomson Resources Ltd (“Exploration”)

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 6 of the Half Year Report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 6 of the Half Year Report.

Financial information about each of these tenements is reported to the Chief Executive Officer on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- ▶ Interest revenue
- ▶ Corporate costs
- ▶ Depreciation and amortisation of non-project specific property, plant and equipment

The Group’s accounting policy for reporting segments is consistent with that disclosed in Note 2.

4. Revenue

	31 Dec 2018 \$	31 Dec 2017 \$
Consulting and JV income	-	563,636
Interest received	5,536	657
R&D tax offset	-	-
	5,536	564,293

5. Cash and cash equivalents

	31 Dec 2018 \$	30 Jun 2018 \$
Cash at bank and on hand	133,692	284,963
Money market securities – bank deposits	321,602	517,687
	455,294	802,650

6. Deferred exploration and evaluation expenditure

	31 Dec 2018 \$	30 Jun 2018 \$
Costs brought forward	2,441,127	2,053,144
Costs incurred during the period	352,742	679,847
Expenditure written off during the period	(691,375)	(291,864)
Costs carried forward	2,102,494	2,441,127

7. Contingent assets and liabilities

The Group has provided guarantees totalling \$130,000 (30 June 2018: \$130,000) in respect of exploration tenements. These guarantees in respect of mining tenements are secured against term deposits with a banking institution and cash held by the NSW Department of Industry – Resources and Energy. The Company does not expect to incur any material liability in respect of the guarantees.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

8. Earnings per share

	31 Dec 2018	31 Dec 2017
	\$	\$
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(921,607)	317,102
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	111,534,414	102,940,390
	Cents per share	Cents per share
Basic earnings (loss) per share (cents per share)	(0.83)	0.31
Diluted earnings (loss) per share (cents per share)	(0.83)	0.31

9. Contributed equity

	31 Dec 2018	30 Jun 2018
	\$	\$
Share capital	9,383,978	8,958,966
112,814,189 fully paid ordinary shares (30 June 2018:103,728,149)		
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share capital applications	-	240,000
Share issue costs	(740,643)	(738,758)
	8,643,335	8,460,208

		Number	\$
Movements in ordinary shares on issue			
At 31 December 2017		103,024,841	8,927,317
Shares issued	(i)	465,531	20,949
Shares issued	(ii)	55,555	2,500
Shares issued	(iii)	131,111	5,900
Shares issued	(iv)	51,111	2,300
At 30 June 2018		103,728,149	8,958,966
Shares issued	(v)	7,000,000	350,000
Shares issued	(vi)	200,000	10,000
Shares issued	(vii)	1,000,000	34,000
Shares issued	(viii)	886,040	31,012
At 31 December 2018		112,814,189	9,383,978

- (i) The Company issued 465,531 shares at \$0.045 in as part payment for a loan agreement.
- (ii) The Company issued 55,555 shares at \$0.045 in March 2018 as landowner compensation.
- (iii) The Company issued 131,111 shares at \$0.045 in March 2018 as landowner compensation.
- (iv) The Company issued 51,111 shares at \$0.045 in March 2018 as landowner compensation.
- (v) In July 2018 the Company issued 7,000,000 shares at \$0.05 in a private placement.
- (vi) In July 2018 the Company issued 200,000 shares at \$0.05 as landowner compensation.
- (vii) In August 2018 the Company issued 1,000,000 shares at \$0.034 for a land access agreement.
- (viii) In December 2018 the Company issued 886,040 share at \$0.035 as part of a loan agreement.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

10. Reserves (share based payments)

Share based payment options issued

Outstanding at the beginning of the period

At 31 December 2017

Options exercised

At 30 June 2018

Options issued

Options expired

At 31 December 2018

	Number	\$
	7,000,000	156,600
	-	-
	7,000,000	156,600
(i)	8,500,000	86,250
(ii)	(1,500,000)	-
	14,000,000	242,850

(i) 8,500,000 options with an exercise price of \$0.06 were issued in November 2018.

(ii) 1,500,000 options expired in November 2018.

Other unlisted options issued

Movements in unlisted options on issue

At 31 December 2017

Options issued

At 30 June 2018

Options issued

At 31 December 2018

	Number	\$
	880,956	50,400
	280,000	21,000
	1,160,956	71,400
	-	-
	1,160,956	71,400

11. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than already disclosed in the Report.

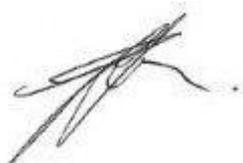
Directors' Declaration

In accordance with a resolution of the directors of Thomson Resources Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are 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 the 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; and
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Lindsay Gilligan
Chairman

Sydney, 13 March 2019

Independent Auditor's Review Report



CHARTERED ACCOUNTANTS

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

M A Nakkan CA

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Independent Auditor's Review Report

To the members of Thomson Resources Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Thomson Resources Ltd and controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of Thomson Resources Ltd (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 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Thomson Resources Limited, 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.

Liability limited by a scheme approved under Professional Standards Legislation.
Please refer to the website for our standard terms of engagement.

Independent Auditor's Review Report

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 Thomson Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

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 Thomson Resources Ltd and controlled entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Going Concern

Without modifying our opinion, we draw attention to Note 2 "Going concern" which describes the directors' assessment of the going concern assumption. There is some doubt about the success of future capital raisings which could indicate the existence of material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDJ Partners
Chartered Accountants



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Anthony J Dowell
Partner

13 March 2019

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Please refer to the website for our standard terms of engagement.

Auditor's Independence Declaration



CHARTERED ACCOUNTANTS

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Thomson Resources Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2018 there have been:

- a. no contraventions of the auditor independence requirements as set out in 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.

BDJ Partners
Chartered Accountants

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Anthony J Dowell
Partner

12 March 2019

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Please refer to the website for our standard terms of engagement.

Corporate Directory

Thomson Resources Ltd

ABN 82 138 358 728

Directors

Lindsay Gilligan	Non-Executive Chairman
Gregory Jones	Non-Executive Director
Antonio Belperio	Non-Executive Director

Management

Eoin Rothery	Executive Director - CEO
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Company Secretary

Ivo Polovineo

Registered and Administration Office

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Website: www.thomsonresources.com.au
E-mail: info@thomsonresources.com.au

Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001
Telephone: +61 2 9290 9600
Email: enquiries@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

Auditors

BDJ Partners

Bankers

Macquarie Bank
BankWest
Commonwealth Bank of Australia

Stock Exchange Listing

Listed on Australian Securities Exchange Limited
ASX Code: TMZ