

THOMSON RESOURCES LTD

ABN 82 138 358 728

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2019



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Board of Directors

David Williams - Non-Executive Chairman
Richard Willson - Non-Executive Director
Eoin Rothery - Managing Director & CEO

Company Secretary

Richard Willson

ASX Share Register

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Securities Exchange Listing

Australian Securities Exchange
ASX Code: TMZ

DIRECTORS REPORT

Your directors submit their report for Thomson Resources Ltd for the half year ended 31 December 2019.

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.

David Williams	Non-Executive Chairman (appointed 31 July 2019)
Richard Willson	Non-Executive Director and Company Secretary (appointed 31 July 2019)
Eoin Rothery	Managing Director and Chief Executive Officer, Executive Director
Lindsay Gilligan	Non-Executive Chairman (resigned 31 July 2019)
Greg Jones	Non-Executive Director (resigned 31 July 2019)
Antonio Belperio	Non-Executive Director (resigned 31 July 2019)

Review and results of operations

The net results of operations after income tax expense for the half year was a loss of \$169,856 (2018:921,607).

Thomson continued its exploration at the Bygoo Tin Project and Harry Smith Gold Project with drill hole planning carried out; environmental approvals granted and access agreements obtained. Further drilling at Bygoo, Harry Smith and other prospects in the regional area is planned for 2020. During the half year Thomson withdrew from its Chillagoe Project in Queensland and acquired the Yalgogrin Gold Field Project in NSW. Planning for drill testing of the historic gold workings in the Yalgogrin Gold Field is being finalised with environmental approvals granted and access agreements secured.

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 RPGeo), 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.

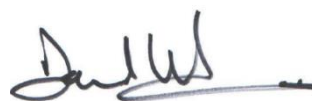
Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2019 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 11th day of March 2020 in accordance with a resolution of the directors.



David Williams
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Revenue	4	792	5,536
ASX and ASIC fees		(10,946)	(25,124)
Audit fees		(15,500)	(14,300)
Contract administration services		(16,614)	(39,996)
Depreciation expense		(518)	(668)
Employee costs (net of costs recharged to exploration projects)		(50,151)	(27,290)
Exploration expenditure expensed		(31,331)	(691,375)
Insurance costs		(8,639)	(7,352)
Rent		(8,000)	(10,800)
Share based payments		-	(86,250)
Other expenses from ordinary activities		(28,949)	(23,988)
Profit/ (loss) before income tax expense		(169,856)	(921,607)
Income tax expense		-	-
Profit/ (loss) after income tax expense		(169,856)	(921,607)
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		(169,856)	(921,607)
Basic gain/(loss) per share (cents per share)	8	(0.15)	(0.83)
Diluted gain/(loss) per share (cents per share)	8	(0.15)	(0.83)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 Dec 2019 \$	30 Jun 2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	92,622	220,776
Receivables		20,603	14,820
Tenement security deposits	7	20,000	50,000
Total current assets		133,225	285,596
Non-current assets			
Tenement security deposits	7	90,000	80,000
Property, plant and equipment		1,652	2,170
Deferred exploration and evaluation expenditure	6	2,501,778	2,209,347
Total non-current assets		2,593,430	2,291,517
Total assets		2,726,655	2,577,113
LIABILITIES			
Current liabilities			
Payables		199,777	28,307
Provisions		65,995	75,410
Total current liabilities		185,772	103,717
Non-current liabilities			
Provisions		-	-
Total non-current liabilities		-	-
Total liabilities		185,772	103,717
Net assets		2,540,883	2,473,396
EQUITY			
Contributed equity	9	8,880,678	8,643,335
Accumulated losses		(6,508,945)	(6,459,539)
Reserves	10	169,150	289,600
Total equity		2,540,883	2,473,396

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 2019

	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 taken directly to equity		-	-	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

	Note	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2019		8,643,335	(6,459,539)	289,600	2,473,396
Profit/(loss) for the period		-	(169,856)	-	(169,856)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	(169,856)	-	(169,856)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		237,343	-	-	237,343
Cost of share based payments expensed during the period		-	-	-	-
Expired and exercised option value transferred to Accumulated Losses		-	120,450	(120,450)	-
At 31 December 2019		8,880,678	(6,508,945)	169,150	2,540,883

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 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Cash flows from operating activities			
Payment to suppliers and employees		(112,656)	(153,605)
R&D tax concession offset		-	-
Interest received		792	5,536
Joint Venture Income		-	-
Consulting fees received		-	-
Net cash flows (used in) operating activities		(111,864)	(148,069)
Cash flows from investing activities			
Redemption of Security Deposits		20,000	-
Expenditure on mining interests (exploration)		(33,633)	(338,414)
Net cash flows (used in) investing activities		(13,633)	(338,414)
Cash flows from financing activities			
Proceeds from issue of shares		(2,657)	141,011
Proceeds from borrowings		-	(1,884)
Net cash flows from financing activities		(2,657)	139,127
Net increase (decrease) in cash held		(128,154)	(347,356)
Add opening cash brought forward		220,776	802,650
Closing cash carried forward	5	92,622	455,294

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 2019

1. Corporate information

The financial report of Thomson Resources Ltd (the Company) for the half year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 11 March 2020. 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 2019.

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 2019 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 2019.

Management has reviewed and assessed the new accounting standards effective 1 July 2019 and these have been deemed to not have a material impact on the group.

Fair value measurement

The carrying amounts of the Group's assets and liabilities are a reasonable approximation of their fair values with the exception of deferred exploration and evaluation expenditure.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2019

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.

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 2019 \$	31 Dec 2018 \$
Interest received	792	5,536
	792	5,536

5. Cash and cash equivalents

	31 Dec 2019 \$	30 Jun 2019 \$
Cash at bank and on hand	67,622	45,776
Money market securities – bank deposits	25,000	175,000
	92,622	220,776

6. Deferred exploration and evaluation expenditure

	31 Dec 2019 \$	30 Jun 2019 \$
Costs brought forward	2,209,347	2,441,127
Costs incurred during the period	323,762	460,278
Expenditure written off during the period	(31,331)	(692,058)
Costs carried forward	2,501,778	2,209,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2019

7. Contingent assets and liabilities

The Group has provided guarantees totalling \$110,000 (30 June 2019: \$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.

8. Earnings per share

	31 Dec 2019	31 Dec 2018
	\$	\$
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(169,856)	(921,607)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	114,683,041	111,534,414
	Cents per share	Cents per share
Basic earnings (loss) per share (cents per share)	(0.15)	(0.83)
Diluted earnings (loss) per share (cents per share)	(0.15)	(0.83)

9. Contributed equity

	31 Dec 2019	30 Jun 2019
	\$	\$
Share capital		
118,814,189 fully paid ordinary shares (30 June 2019: 112,814,189)	9,623,978	9,383,978
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share capital applications	-	-
Share issue costs	(743,300)	(740,643)
	8,880,678	8,643,335

	Number	\$
Movements in ordinary shares on issue		
At 30 June 2018	103,728,149	8,958,966
Shares issued (i)	7,000,000	350,000
Shares issued (ii)	200,000	10,000
Shares issued (iii)	1,000,000	34,000
Shares issued (iv)	886,040	31,012
At 31 December 2018	112,814,189	9,383,978
At 30 June 2019	112,814,189	9,383,978
Shares issued (v)	6,000,000	240,000
At 31 December 2019	118,814,189	9,623,978

- (i) In July 2018 the Company issued 7,000,000 shares at \$0.05 in a private placement.
- (ii) In July 2018 the Company issued 200,000 shares at \$0.05 as landowner compensation.
- (iii) In August 2018 the Company issued 1,000,000 shares at \$0.034 for a land access agreement.
- (iv) In December 2018 the Company issued 886,040 shares at \$0.035 as part of a loan agreement.
- (v) In November 2019 the Company issued 6,000,000 shares at \$0.04 to purchase EL8684 Yalgogrin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2019

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

At 30 June 2019

Options expired

At 31 December 2019

	Number	\$
	7,000,000	156,600
	-	-
	7,000,000	156,600
(i)	8,500,000	97,750
(ii)	(1,500,000)	(36,150)
	14,000,000	218,200
	14,000,000	218,200
(iii)	(5,500,000)	(120,450)
	8,500,000	97,750

(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.

(iii) 5,500,000 options expired in November 2019.

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

Options issued

At 30 June 2019

Options issued

At 31 December 2019

	Number	\$
	880,956	50,400
	280,000	21,000
	1,116,956	71,400
	-	-
	1,160,956	71,400
	-	-
	1,160,959	71,400
	-	-
	1,160,959	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 2019 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.

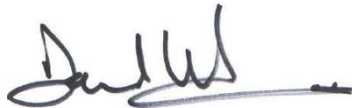
DIRECTORS DECLARATION

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 2019 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

A handwritten signature in dark ink, appearing to read 'David Williams', with a horizontal line extending to the right.

David Williams

Chairman

Sydney, 11 March 2020

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 2019, 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 the 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 2019 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.

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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 2019 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

We draw attention to Note 2 "Going concern" which states that the directors are investigating options to raise additional funds. Should the fund raising be unsuccessful, it would indicate a material uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern and the consolidated entity's ability to pay its debts as and when they fall due. Our conclusion is not modified in respect of this matter.

BDJ Partners



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Anthony J Dowell
Partner

11 March 2020

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Thomson Resources Limited and Controlled Entities

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2019 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



.....
Anthony J Dowell
Partner

10 March 2020

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