

Jervois Mining Limited

ABN 52 007 626 575

Condensed Interim Report - 31 December 2017

CORPORATE DIRECTORY

Directors:	John Byrne Bryce Crocker (Appointed: 1 October 2017) Brian Kennedy (Appointed: 1 October 2017) Michael Rodriguez (Appointed: 1 October 2017) Stephen van der Sluys
Company Secretary:	Mr Alwyn Davey
Registered Office:	Ground Floor 585 Burwood Road Hawthorn VIC 3122 Telephone: + 61 3 9236 2800 Facsimile: + 61 3 9818 3656
Principal Place of Business:	Ground Floor 585 Burwood Road Hawthorn VIC 3122 Telephone: + 61 3 9583 0498 Facsimile: + 61 3 9818 3656
Share Registry:	Computershare Investor Services Pty Ltd 452 Johnston Street, Abbotsford, Victoria, Australia, 3067
Auditors:	BDO East Coast Partnership Tower 4, Collins Square Level 18, 727 Collins Street Dockland VIC 3008
Bankers:	ANZ Banking Group Limited 388 Collins Street Melbourne VIC 3000
Solicitors:	Baker MacKenzie Level 19 181 William Street Melbourne VIC 3000
Stock Exchange Listing:	Jervois Mining Limited shares are listed on the Australian Securities Exchange. (ASX code: JRV)
Website:	www.jervoismining.com.au

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Jervois Mining 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 2017.

Directors

The following persons were directors of Jervois Mining Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Bryce Crocker (Appointed 1 October 2017)
John Byrne
Stephen van der Sluys
John Newton (Resigned: 22 January 2018)
Brian Kennedy (Appointed 1 October 2017)
Michael Rodriguez (Appointed 1 October 2017)

Principal Activities

The principal activity of the Group during the year was mineral exploration and evaluation, including associated metallurgical test work and research and development activities.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,457,889 (31 December 2016: loss \$1,301,388). (The loss includes an amount of \$1,946,811 as a non-cash expense in relation to employee benefits for the value of options and shares issued to directors, officers and consultants of the company).

A summary of the activities of the Company during the period can be found in the quarterly reports released to the ASX on 30 October 2017 and 29 January 2018.

Significant changes in the state of affairs

During the financial half-year, the company issued 40,721,359 fully paid ordinary shares raising \$13,686,628 before costs and a further 17,103,367 options were exercised raising \$1,116,418.

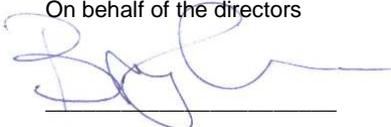
There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

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 accordance with resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



6 March 2018

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF JERVOIS MINING LIMITED

As lead auditor for the review of Jervois Mining Limited for the half-year ended 31 December 2017, 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 Jervois Mining Limited and the entities it controlled during the period.



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 6 March 2018

Jervois Mining Limited

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31 December 2017

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**Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2017**

	Note	Consolidated	
		Half-year ended 31 Dec 2017 \$	Half-year ended 31 Dec 2016 \$
Revenue	4	73,142	506,783
Expenses			
Corporate and administration fees		(151,626)	(132,909)
Employee benefits expense		(2,130,172)	(217,213)
Exploration expense		(681)	(18,236)
Depreciation and amortisation expense		(2,635)	(1,568)
Write-off of exploration expense		(55,089)	(683,978)
Professional fees		(266,529)	(630,655)
Tenancy and property costs		(10,413)	(51,441)
Loss from sale of investments		(101,524)	-
Fair value gain/(loss) on held for trading investments		340,000	(11,613)
Other expenses		(152,362)	(60,558)
Loss before income tax expense		<u>(2,457,889)</u>	<u>(1,301,388)</u>
Loss after income tax expense for the half-year attributable to the owner of Jervois Mining Limited		(2,457,889)	(1,301,388)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owner of Jervois Mining Limited		<u>(2,457,889)</u>	<u>(1,301,388)</u>
		Cents	Cents
Basic loss per share	11	(1.56)	(1.24)
Diluted loss per share	11	(1.56)	(1.24)

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

**Consolidated statement of financial position
as at 31 December 2017**

	Note	Consolidated	
		31 Dec 2017 \$	30 Jun 2017 \$
Assets			
Current assets			
Cash and cash equivalents		16,068,147	1,385,782
Trade and other receivables	6	4,456,180	1,000,523
Financial assets at fair value through profit or loss		1,101,849	1,849
Other		84,185	14,491
Total current assets		<u>21,710,361</u>	<u>2,402,645</u>
Non-current assets			
Receivables	7	157,500	4,063,326
Financial assets at fair value through profit or loss		-	1,740,000
Property, plant and equipment		101,658	109,276
Exploration and evaluation	8	4,036,142	3,841,726
Total non-current assets		<u>4,295,300</u>	<u>9,754,328</u>
Total assets		<u>26,005,661</u>	<u>12,156,973</u>
Liabilities			
Current liabilities			
Trade and other payables		298,635	204,663
Employee benefits		23,324	8,054
Total current liabilities		<u>321,959</u>	<u>212,717</u>
Non-Current liabilities			
Employee benefits		11,651	19,326
Total non-current liabilities		<u>11,651</u>	<u>19,326</u>
Total liabilities		<u>333,610</u>	<u>232,043</u>
Net assets		<u>25,672,051</u>	<u>11,924,930</u>
Equity			
Issued capital	9	68,379,721	53,410,897
Reserves		1,236,186	-
Accumulated losses		(43,943,856)	(41,485,967)
Total equity		<u>25,672,051</u>	<u>11,924,930</u>

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

Consolidated statement of changes in equity
For the half-year ended 31 December 2017

Consolidated	Issued Capital	Share based Payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2016	51,726,844	-	(45,430,159)	6,296,685
Loss after income tax expense for the half-year	-	-	(1,301,388)	(1,301,388)
Total comprehensive income for the half-year	-	-	(1,301,388)	(1,301,388)
Transaction with owners in their capacity as owners: Contributions of the equity, net of transaction costs	536,058	-	-	536,058
Balance at 31 December 2016	52,262,902	-	(46,731,547)	5,531,355

Consolidated	Issued Capital	Share based Payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2017	53,410,897	-	(41,485,967)	11,924,930
Loss after income tax expense for the half-year	-	-	(2,457,889)	(2,457,889)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,457,889)	(2,457,889)
Transaction with owners in their capacity as owners:				
Issue of shares	14,361,628	-	-	14,361,628
Exercise of options	1,116,418	-	-	1,116,418
Value of options issued	-	2,170,598	-	2,170,598
Value of options exercised	934,412	(934,412)	-	-
Capital raising costs	(1,443,634)	-	-	(1,443,634)
Balance at 31 December 2017	68,379,721	1,236,186	(43,943,856)	25,672,051

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

Consolidated statement of cash flows
For the half-year ended 31 December 2017

		Consolidated	
		Half-year ended	Half-year ended
		31 Dec 2017	31 Dec 2016
Note		\$	\$
Cash flows from operating activities			
	Receipts from customers	500,000	4,247
	Payments to suppliers and employees	(767,021)	(843,718)
	Sundry income	14,500	-
	Net cash used in operating activities	<u>(252,521)</u>	<u>(839,471)</u>
Cash flows from investing activities			
	Interest received	13,442	2,536
	Payment for property, plant and equipment	(1,000)	(15,245)
	Payment for exploration and evaluation	(88,629)	(313,284)
	Payment for development	(151,823)	-
	Payment for security deposits	-	(127,500)
	Payment for investments	(270,000)	(68,080)
	Proceed from sale of investments	1,148,476	-
	R&D tax offset received	-	379,041
	Option fee on sale of tenements	-	500,000
	Net cash from investing activities	<u>650,466</u>	<u>357,468</u>
Cash flows from financing activities			
	Proceeds from issue of shares	14,859,267	270,000
	Share issue transaction costs	(574,847)	(3,942)
	Net cash from financing activities	<u>14,284,420</u>	<u>266,058</u>
	Net increase/(decrease) in cash and cash equivalents	14,682,365	(215,945)
	Cash and cash equivalents at the beginning of the financial half-year	<u>1,385,782</u>	<u>652,247</u>
	Cash and cash equivalents at the end of the financial half-year	<u>16,068,147</u>	<u>436,302</u>

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

Jervois Mining Limited Notes to financial statements 31 December 2017

Note. 1 General information

The financial statements cover Jervois Mining Limited as a consolidated entity consisting of Jervois Mining 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 Jervois Mining Limited's functional and presentation currency.

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

Ground Floor
585 Burwood Road
Hawthorn VIC 3122

A description of the nature of the consolidated entity'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 resolution of directors, on 5 March 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period 31 December 2017 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 statement Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 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 consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. None of these standards had any material impact on reported financial position and performance.

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

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one reportable operating segment: mineral exploration and evaluation Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	
	December	December
	2017	2016
	\$	\$
Interest	58,642	2,536
Rent	-	4,247
Sundry	14,500	-
Option fees on sale of tenement*	-	500,000
	73,142	506,783
Revenue		

*The company entered into an option agreement to sell its Flemington assets. Option fee received to date have been recognised as revenue.

Note 5. Restatement of comparatives

Jervois Mining Limited has elected to change the allocation of some expenses to categories which they deem to be more appropriate. This is a reallocation only and had an overall nil impact on the final results for the 6 months ended 31 December 2016.

	6 months ended	Adjustment	6 months ended
	31 December		31 December
	2016		2016
	(Reported)		(Restated)
	\$'000s	\$'000s	\$'000s
EXPENSES			
Corporate and administration fee	831,249	(698,340)	132,909
Employee benefits expenses	75,606	141,607	217,213
Professional fees	78,400	552,255	630,655
Other expenses	56,080	4,478	60,558
	1,041,335	-	1,041,335
Total expenses			

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 6. Current assets – trade and other receivables

	Consolidated	
	December 2017	June 2017
	\$	\$
Other receivables	14,811	523
Balance receivable on account of disposal of tenements	4,441,369	1,000,000
	4,456,180	1,000,523

Note 7. Non-current assets – receivable

The company has entered into an option and sale agreement in relation to its Flemington tenement. Under the agreement there are five option periods, with total option amounts of \$2 million payable and final purchase amount of \$4 million. The purchaser can opt to complete the transaction at any time by paying a total of \$6 million. The directors believe that there is a strong probability that option payments will be made and the sale exercised. The full consideration of \$6 million has been recognised at the net present value of expected cash flow.

	Consolidated	
	December 2017	June 2017
	\$	\$
Non-current assets – receivable	157,500	4,063,326

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 8. Non-current assets – exploration and evaluation

	Consolidated	
	December 2017	June 2017
	\$	\$
Exploration and evaluation – at cost	4,036,142	3,841,726

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Consolidated	
	December 2017	June 2017
	\$	\$
Balance at 1 July 2017	3,841,726	4,425,425
Disposal	-	(560,495)
Expenditure during the half-year	249,505	390,774
Write off of assets	(55,089)	(413,978)
Balance at 31 December 2017	4,036,142	3,841,726

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 9. Equity - issued capital

	Consolidated			
	December	June	December	June
	2017	2017	2017	2017
	Shares	Shares	\$	\$
Ordinary shares – fully paid	194,778,698	136,953,972	68,379,721	53,410,897

Movements in ordinary share capital

Details	Date	Share	Issue price	\$
Balance	1 July 2017	136,953,972		53,410,897
Issue of shares	12 July 2017	9,283,095	\$0.060	556,986
Options exercised	15 August 2017	179,897	\$0.050	8,995
Issue of shares	14 September 2017	7,383,572	\$0.060	443,014
Issue of shares	14 September 2017	400,000	\$0.075	30,000
Options exercised	14 September 2017	211,325	\$0.050	10,566
Options exercised	10 October 2017	2,128,026	\$0.050	106,401
Options exercised	18 October 2017	2,190,439	\$0.050	109,522
Options exercised	8 November 2017	1,087,853	\$0.050	54,393
Options exercised	16 November 2017	8,333,333	\$0.080	1,535,454
Options exercised	27 November 2017	2,493,095	\$0.050	124,655
Issue of shares	12 December 2017	22,654,692	\$0.560	12,686,628
Options exercised	13 December 2017	104,399	\$0.050	5,219
Options exercised	13 December 2017	375,000	\$0.080	95,625
Issue of shares	13 December 2017	1,000,000	\$0.650	645,000
Capital raising costs				(1,443,634)
Balance	31 December 2017	194,778,698		68,379,721

Ordinary shares

Ordinary shares entitle the holder to participate in dividend 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 are no current on-market share buy-back.

Note 10. Equity - dividends

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

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 11. Earnings per share

	Consolidated	
	31 Dec 2017 Cents per share	31 Dec 2016 Cents per share
Basic earnings (loss) per share	(1.56)	(1.24)
Diluted earnings (loss) per share	(1.56)	(1.24)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2017 \$	2016 \$
Net profit/(Loss) (i)	(2,457,889)	(1,301,388)

(i) Net Loss is the same amount as loss after tax in the consolidated statement of comprehensive income attributable to owners of the parent

	2017 No.	2016 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	157,870,723	105,134,197

Note 12. Fair value measurements

a) Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depended on the specific characteristics of the asset or liability is being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discount present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publically available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the assets or liabilities are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Jervois Mining Limited
Notes to financial statements
31 December 2017

Note 12. Fair value measurements (cont'd)

b) Financial Instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities

	31 December 2017		30 June 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	16,068,147	16,068,147	1,385,782	1,385,782
Trade and other receivables	4,456,180	4,456,180	1,000,523	1,000,523
Financial assets	1,101,849	1,101,849	1,741,849	1,741,849
Other	84,185	84,185	14,491	14,491
Other receivables	157,500	157,500	4,063,326	4,063,326
	21,867,861	21,867,861	8,205,971	8,205,927
Financial Liabilities				
Trade and other payables	298,635	298,635	204,663	204,663
Employee liabilities	34,975	34,975	27,380	27,380
	333,610	333,610	232,043	232,043

c) Recurring and non-recurring fair value measurement amounts and the level of the fair value hierarchy within which fair value measurements are categorised

	Consolidated			31/12/17
	Quoted prices in active markets for identical assets	Significant observable inputs other than Level 1 inputs	Significant unobservable inputs	
Instrument	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Quoted securities	1,101,849	-	-	1,101,849
	1,101,849	-	-	1,101,849

Note 13 Share based payments

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ other	Balance at 31 Dec 17
21/9/2017	21/9/2020	8 cents	Nil	15,833,333	8,333,333	Nil	7,500,000
29/9/2017	20/9/2020	8 cents	Nil	1,000,000	500,000	Nil	500,000
13/12/2017	20/9/2022	15 cents	Nil	15,000,000	Nil	Nil	15,000,000

The fair value of the options is estimated at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

For the options granted during the current financial 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 \$
21/9/2017	21/9/2018	17.5 cents	8 cents	81.60%	Nil	1.84%	1,650,696
29/9/2017	20/9/2018	25.5 cents	8 cents	86.85%	Nil	1.81%	175,000
13/12/2017	20/9/2022	64.5 cents	15 cents	88.77%	Nil	2.62%	8,418,582

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 14. Event after the reporting period

No event or matters have arisen which 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.

Jervois Mining Limited
Directors' declaration
31 December 2017

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 consolidated entity's financial position as at 31 December 2017 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 of the directors made pursuant to section 303(5)(a) of the *Corporation Act 2001*.

On behalf of the directors



6 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jervois Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Jervois Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



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

Independence

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

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature, the letters 'BDO' are written in a stylized, cursive font.

James Mooney
Partner

Melbourne, 6 March 2018