Birrabong Corporation Limited

ABN 14 074 009 091

(Formerly: Living Cities Development Group Limited)

Half-Year Financial Report

31 December 2016

Contents

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during or since the end of the Interim Period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Tal Silberman	Appointed 31 May 2017
Mr Christopher Anderson	Appointed 31 May 2017
Mr Alexander Harmstorf	Appointed 31 May 2017
Mr Leslie Szancer	Appointed 31 May 2017 – Resigned 31 May 2017
Mr Brett Lee Manning	10 April 2005 – Resigned 31 May 2017
Mr Robert Sun	4 October 2012 – Resigned 31 May 2017
Mr John Lester Pettigrew	17 December 2015 – Resigned 31 May 2017

REVIEW OF OPERATIONS

Special Note

Birrabong Corporation Limited ("the Company") was named Living Cities Development Group Limited at the commencement of the Interim Period and then changed its name to Birrabong Corporation Limited subsequent to the end of the Interim Period, in June 2017.

The Company was placed into voluntary administration on 1 July 2016. The Company subsequently entered a Deed of Company Arrangement ("DOCA") on 17 August 2016 and was then recapitalised and returned to normal trading following the effectuation of the DOCA on 31 May 2017.

The current directors of the Company were all appointed as part of the recapitalisation on 31 May 2017 and the previous directors all also resigned on that date to facilitate the completion of the recapitalisation.

Therefore, the activities of the Company reported here are provided for historical reference.

The current directors of the Company did not participate in the matters discussed in this Review of Operations during the Interim Period.

During the half-year ended 31 December 2016 ("the Interim Period") the Company undertook the following activities:

On 1 July 2016, the Company advised the Australian Securities Exchange ("ASX") that it had appointed Mr Antony Resnick, Mr David Solomons, and Mr Riad Tayeh of de Vries Tayeh as Joint and Several Administrators ("the Administrators") of the Company pursuant to Section 436A of the Corporations Act 2001.

On the same day, prior to the appointment of the Administrators, the Board of the Company entered into a recapitalisation deed ("the Recapitalisation Deed") with Benelong Capital Partners Pty. Ltd. with a view to facilitating an efficient recapitalisation process for the Company through external Administration. The Recapitalisation Deed anticipated the utilisation of a Deed of Company Arrangement ("DOCA") for the recapitalisation of the Company and management of its assets for the benefit of Creditors.

The Company was under external administration for the full Interim Period covered by this Report.

The Administrators, upon appointment, determined that it was in the best interests of the Company to continue with the implementation of the Recapitalisation Deed with Benelong Capital Partners Pty. Ltd.

On 17 August 2016, the Company entered into a DOCA to give effect to the Recapitalisation Deed. Benelong Capital Pty. Ltd. progressed matters for the recapitalisation of the Company during the remainder of the Interim Period. The Administrators became the Deed Administrators upon execution of the DOCA and retained control of the Company.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

In summary, the Recapitalisation Deed provided that:

1. A creditors' trust ("the Creditors' Trust") would be established for the benefit of all pre-Administration creditors of the Company and the remaining assets of the Company, being cash, fixed plant and equipment and the Yogi Mine Project ($684,409 in the 30 June 2016 accounts of the Company) would be for the benefit of the Creditors' Trust in exchange for the release of the pre-Administration claims of the Creditors of the Company (approximately $4,000,000, unproven and unaudited). The cost of operating the Company during the DOCA, including the Administrators' Fees, would also be met from the assets transferred to the Creditors' Trust;

2. Benelong Capital would raise sufficient funds in the Company to also provide a $335,000 cash payment and $80,000 in shares to the Creditors' Trust, together with working capital for the Company post DOCA; and

3. Upon completion of this process, the Administrators would retire and return the Company to normal trading by effectuating the DOCA and placing the Company under the control of newly appointed directors.

This process was successfully completed on 31 May 2017, subsequent to the end of the Interim Period.

The Administrators also determined to continue with the Option to Purchase Deed over the Yogi Mine Project ("the Yogi Option") with FI Joint Venture Pty. Ltd. ("FIJV") that had been entered into by the Company in June 2016, before the start of the Interim Period.

The Yogi Option provided a right for a period of 12 months for FIJV to purchase the Yogi tenement package from the Company, together with all Yogi related technical data for $600,000 cash. During the option period, FIJV was responsible for meeting the minimum exploration requirements on the Yogi tenements and for meeting certain other tenement related costs. The sale price also increased by $60,000 quarterly if the option was not exercised.

Exploration, funded by FIJV, commenced at Yogi in July 2016 in accordance with the terms of the Yogi Option.

There were no other material events prior to the end of the Interim Period on 31 December 2016 and the Company remained under the control of the Deed Administrator, subject to the Deed of Company Arrangement.

The capital structure of the Company at the end of the Interim Period was:

5,620,647 ordinary fully paid shares

There were no options or other securities on issue.

SUBSEQUENT EVENTS

On 31 May 2017, a General Meeting of Shareholders was held to vote on a recapitalisation of the Company (the "Recapitalisation Proposal"). The Recapitalisation Proposal included the following key terms:

(1) The Company issue a bonus issue of 1 for 1 existing shares of 5,620,647 to existing shareholders;

(2) The Company allot 136.9 million shares to raise a total of $451,000;

(3) New Directors be appointed to the Company and the previous directors resign;

(4) The name of the Company be changed to Birrabong Corporation Limited.

All resolutions put to the Company at the General Meeting on 31 May 2017 were carried. As a consequence, the DOCA was effectuated on the same day and the Company returned to normal trading under the control of a new Board of Directors.

Subsequent to 31 May 2017, the Recapitalisation Proposal has been fully implemented with the following key results:

(1) There are now 149,000,000 ordinary fully paid shares on issue;

DIRECTORS' REPORT

SUBSEQUENT EVENTS (Continued)

(2) Following completion of the Recapitalisation Proposal transactions, the un-audited Proforma Statement of Financial Position for the Company is:

Total Assets	$35,000
Total Liabilities	$ 0
Total Net Equity	$35,000

On 31 May 2017, the new Board of the Company appointed Mr Tal Silberman a Director of the Company and Chairman of the Board. Mr Leslie Szancer who had been approved by shareholders for appointment to the Board, resigned immediately in favour of the appointment of Mr Tal Silberman.

Mr Greg Starr was appointed as Company Secretary on 31 May 2017 to replace Mr Bredenkamp, who resigned as part of the Recapitalisation Proposal.

The directors are currently seeking opportunities for the Company in other industries with a view to enhancing Shareholder value. Any significant change in the nature of the Company's activities will require Shareholder approval under Listing Rule 11. The aim is to pursue an appropriate business opportunity against which the Company may be further recapitalised and its shares requoted on the Australian Stock Exchange.

Also on 31 May 2017, FIJV executed its option to acquire the Yogi tenement package and these tenements have been transferred to FIJV.

As a function of the DOCA, all pre-Administration claims of creditors to the Company have been exchanged by the creditors for participation in the Creditors' Trust. Monies paid by the Company as part of the Recapitalisation Proposal to the Creditors' Trust and monies from the sale of the Yogi Mine Project have been transferred to the Creditors' Trust in satisfaction of the pre-Administration claims against the Company.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' Report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Tal Silberman

Chairman

Dated this 3rd day of August 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Birrabong Corporation Limited (formerly Living Cities Development Group Limited) for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
3 August 2017

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	31 Dec 2016 $	31 Dec 2015 $
Revenue	3	49,030	9,105
Gain on execution of a Deed of Company Arrangement	3	2,796,680	-
Gain on deregistration of subsidiaries		6,197	-
Salaries and employee benefits expense		(302,265)	(254,668)
Depreciation expense		-	(3,668)
Interest and finance costs		-	(62,703)
Exploration expenditure recovered/(written off)	4	(3,410)	39,998
Impairment of deferred exploration and evaluation expenditure	4	-	(35,554)
Impairment of asset held for resale	9	-	(150,000)
Corporate and administration costs		(59,880)	(199,315)
Profit (loss) before income tax expense		**2,486,352**	**(656,805)**
Income tax expense		-	-
Net profit (loss) for the period		**2,486,352**	**(656,805)**
Other comprehensive income		**-**	**-**
Total comprehensive profit/(loss) for the period		**2,486,352**	**(656,805)**
Basic earnings/(loss) per share (cents per share)		**44.24**	**(11.69)**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	31 Dec 2016 $	30 Jun 2016 $
Assets			
Current Assets			
Cash and cash equivalents		-	64,474
Other assets		3,528	8,870
Asset held for sale	9	-	600,000
Total Current Assets		3,528	673,344
Non-Current Assets			
Other assets		-	7,007
Property, plant and equipment		-	4,058
Deferred exploration and evaluation expenditure	4	-	-
Total Non-Current Assets		-	11,065
Total Assets		3,528	684,409
Liabilities			
Current Liabilities			
Trade and other payables		357,848	1,304,346
Borrowings	5	-	2,220,735
Total Current Liabilities		357,848	3,525,081
Total Liabilities		357,848	3,525,081
Net Deficiency		(354,320)	(2,840,672)
Equity			
Issued capital	6	19,700,333	19,700,333
Accumulated losses		(20,054,653)	(22,541,005)
Total Equity		(354,320)	(2,840,672)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Accumulated Losses	Reserves	Total
	$	$	$	$
Balance at 1 July 2015	19,700,333	(21,253,944)	-	(1,553,611)
Net loss for period	-	(656,805)	-	(656,805)
Balance at 31 December 2015	19,700,333	(21,910,749)	-	(2,210,416)
Balance at 1 July 2016	19,700,333	(22,541,005)	-	(2,840,672)
Net profit for period	-	2,486,352	-	2,486,352
Balance at 31 December 2016	19,700,333	(20,054,653)	-	(354,320)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 Dec 2016 $	31 Dec 2015 $
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(126,867)	(382,946)
Interest received	-	45
Interest paid and finance costs	-	(8,842)
Other revenue received	50	-
Net cash (used in) operating activities	(126,817)	(391,743)
Cash flows from investing activities		
Receipt of rental bonds	7,007	-
Proceeds from sale of plant & equipment	16,676	15,300
Payments for exploration expenditure	(1,340)	(51,982)
Proceeds of option fee on sale of tenements	40,000	-
Net cash provided by (used in) investing activities	62,343	(36,682)
Cash flows from financing activities		
Proceeds from borrowings	-	461,000
Repayment of borrowings	-	(16,000)
Net cash provided by financing activities	-	445,000
Net increase/(decrease) in cash held and cash equivalents	(64,474)	16,575
Cash and cash equivalents at the beginning of the period	64,474	48,369
Cash and cash equivalents at the end of the period	-	64,944

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with the International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

Going concern

On 1 July 2016, at the start of the Interim Period, the Company had an asset deficiency of $2,840,672. The Directors determined to place the Company into Voluntary Administration on 1 July 2016 and immediately before doing so, the Company executed a Recapitalisation Deed with intermediary company Benelong Capital Partners Pty Ltd. The purpose of this Deed was to facilitate the recapitalisation of the Company with new business direction under a new Board of Directors.

Pursuant to the terms of the Recapitalisation Deed, the Administrator of the Company entered into a Deed of Company Arrangement ("DOCA") with Benelong Capital Partners Pty Ltd on 17 August 2016. The recapitalisation was completed pursuant to the DOCA on 31 May 2017, following shareholder approval of the proposal. The Deed of Company Arrangement was then effectuated on the same date and the Company returned to the control of the new Board of Directors. As the first stage of the recapitalisation, a small amount of capital was raised to meet the Company's immediate needs. All pre-administration liabilities of the Company were extinguished by the establishment of a Creditors' Trust in accordance with the DOCA. Company liabilities incurred during the DOCA were met by the Deed Administrators from remaining Company assets. Upon the Company being returned to the control of the new Board, the Company had extinguished the recapitalisation liabilities and expects to have a nominal (unaudited) cash surplus of around $35,000.

At the date of this Report, the new Board is determining the new direction the business will take and will, as part of a programme to secure the re-quotation of the Company's shares on the ASX, among other things, raise further capital to fund the future business plan of the Company. The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief and the planned future capital raising, the Directors believe that the Company remains a going concern at the date of this Report.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board recognises that additional funding is required to ensure that the Company can continue to fund its operations for a period of at least twelve months from the date of signing this financial report but is confident that additional funding and a suitable business opportunity will be forthcoming in the short term.

If the Board's plan fails for any other reason, the Company would urgently need to secure further capital by some other means. Further additional funding is potentially available from one or a combination of the following:

- Equity placement; or
- Loan funds unsecured or secured against a proposed new business of the Company.

Should any future proposal for further funding be rejected by shareholders or otherwise fail for any reason and none of the future equity raisings and/or the other arrangements mentioned above can be completed to the extent required, there will exist a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and extinguish its liabilities in the normal course of business.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2016.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Company accounting policies.

NOTE 2: SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

During the half-year ended 31 December 2016, the Company did not operate, having been placed in Voluntary Administration on 1 July 2016. As a result, disclosure of segment information is not considered relevant.

NOTE 3: LOSS BEFORE INCOME TAX EXPENSE	Consolidated	
	31 Dec 2016	31 Dec 2015
	$	$
The following items are relevant in explaining the financial performance for the half-year:		
Revenue		
Interest received	-	45
Option fee received	36,363	-
Profit on sale of plant & equipment	12,617	9,060
Other income	50	-
	49,030	9,105
Gain on execution of Deed of Company Arrangement (i)	2,796,680	-

(i) On 17 August 2016, the Company entered into a Deed of Company Arrangement ("DOCA") to give effect to a Recapitalisation Deed. Upon execution of the DOCA, the Administrators of the Company became the Deed Administrators of this Deed, with all assets of the Company being transferred to the Creditors' Trust for the benefit of all pre-Administration creditors. As a result, the net liabilities of the Company at that time were settled, resulting in a net gain of $2,796,680.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	Half-year to 31 Dec 2016 $	Year to 30 Jun 2016 $
Costs carried forward in respect of areas of interest:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	-	127,867
Expenditure incurred	3,410	126,867
Expenditure written off during period	(3,410)	(126,794)
Impairment of deferred exploration		(127,940)
Total deferred exploration expenditure	-	-

NOTE 5: BORROWINGS

	Consolidated	
	31 Dec 2016 $	30 Jun 2016 $
Unsecured loans – TFA / Yaopeng	-	2,002,235
Unsecured loans – Related parties	-	136,400
Unsecured loans – Other	-	82,000
	-	2,220,735

Under the DOCA executed on 17 August 2016, the claim over the existing borrowings specified in this Note 5 at 30 June 2016 were forgiven by the lenders in exchange for an interest in the Creditors' Trust as detailed in the Review of Operations in this Report.

NOTE 6: ISSUED CAPITAL

	Consolidated	
Issued Capital	31 Dec 2016 $	30 Jun 2016 $
Ordinary shares		
Issued and fully paid	19,700,333	19,700,333

	No. Half year to 31 Dec 2016	No. Year to 30 Jun 2016
Movements in ordinary shares on issue		
At beginning of period	5,620,647	224,819,808
Movement in ordinary shares during the reporting period	-	# (219,199,161)
At end of period	5,620,647	5,620,647

In December 2015, a 1 for 40 consolidation of share capital was completed.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs in future financial years, other than:

- On 31 May 2017, the DOCA was effectuated and the Company was returned to the management of the new Board of Directors elected on that date;
- The Company raised $451,000 as the first stage of a recapitalisation and discharged its obligations under the DOCA by the payment of $335,000 cash and the issue of 800,000 ordinary shares to the Creditors' Trust.
- The Company now has a total of 149,000,000 ordinary shares on issue.

Further details are provided in the Subsequent Events section of the Directors' Report.

NOTE 9: ASSETS HELD FOR SALE

As a function of the Administration and DOCA processes, the Company divested its Yogi Mine Project which had been carried at a value of $600,000 at 30 June 2016. This asset was transferred to the Creditors' Trust for the benefit of all pre-Administration Creditors.

DIRECTORS' DECLARATION

In the opinion of the Directors of Birrabong Corporation Limited (formerly Living Cities Development Group Limited) ("the Company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Tal Silberman
Chairman

Dated this 3 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Birrabong Corporation Limited (formerly Living Cities Development Group Limited)

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Birrabong Corporation Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 gives a true and fair view and 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 2016 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 the company, 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*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

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 Birrabong Corporation Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(a) to the financial report which indicates that the board recognises that additional funding is required to ensure that the Company can continue to fund its operations for a period of at least twelve months from the date of signing this financial report. Should the board fail to raise sufficient additional funding as outlined in Note 1(a), there will exist a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
3 August 2017