



BARDOC GOLD LIMITED
(FORMERLY SPITFIRE MATERIALS LIMITED)
(and its controlled entities)
(ABN 40 125 578 743)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2018

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Your Directors are pleased to submit their report of Bardoc Gold Limited ("Bardoc" or "the Company") and its controlled entities ("Consolidated Entity" or "Group") 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 the entire period unless otherwise stated.

Neil Biddle (Director)

John Young (Managing Director)

Peter Buttigieg (Non-Executive Director)

Roger Mitchell (Non-Executive Director) - Resigned on 3 October 2018

David Hatch (Non-Executive Chairman) - Appointed on 3 October 2018

Sam Randazzo (Non-Executive Director) - Appointed on 3 October 2018

Rowan Johnston (Non-Executive Director) - Appointed on 3 October 2018

REVIEW OF OPERATIONS

The December 2018 half-year was an active and highly successful period for Bardoc Gold Limited (formerly Spitfire Materials Limited), with the key development being a merger with fellow ASX-listed gold company Excelsior Gold Limited ("Excelsior").

The completion of the merger between Excelsior and Spitfire has resulted in the creation of a substantial new Australian gold development company with an extensive JORC Mineral Resource inventory at the combined Bardoc Gold Project near Kalgoorlie in Western Australia, and an exciting pipeline of exploration and development growth projects.

MERGER WITH EXCELSIOR GOLD

On 21 September 2018, the merger with Excelsior Gold Limited (ASX: EXG) was approved by the Federal Court of Australia and was subsequently implemented on 3 October 2018. As a result, Excelsior is now a wholly-owned subsidiary of Bardoc. In accordance with the Scheme of Arrangement, Bardoc issued 378,626,920 new fully-paid ordinary shares ("Shares") as consideration for the transfer of Excelsior Gold shares to Bardoc under the Scheme. As contemplated in the Scheme Booklet, Excelsior Gold Directors David Hatch, Rowan Johnston and Sam Randazzo joined the Bardoc board.

BARDOC GOLD PROJECT

Following the completion of the merger with Excelsior outlined above, the combined group now holds a highly prospective tenement position in the Eastern Goldfields of Kalgoorlie comprising the Aphrodite Gold Project, the Kalgoorlie North Gold Project and the Mulwarrie Gold Project.

These projects have collectively been renamed the **"Bardoc Gold Project"**, reflecting their location along the highly prospective Bardoc Tectonic Zone.

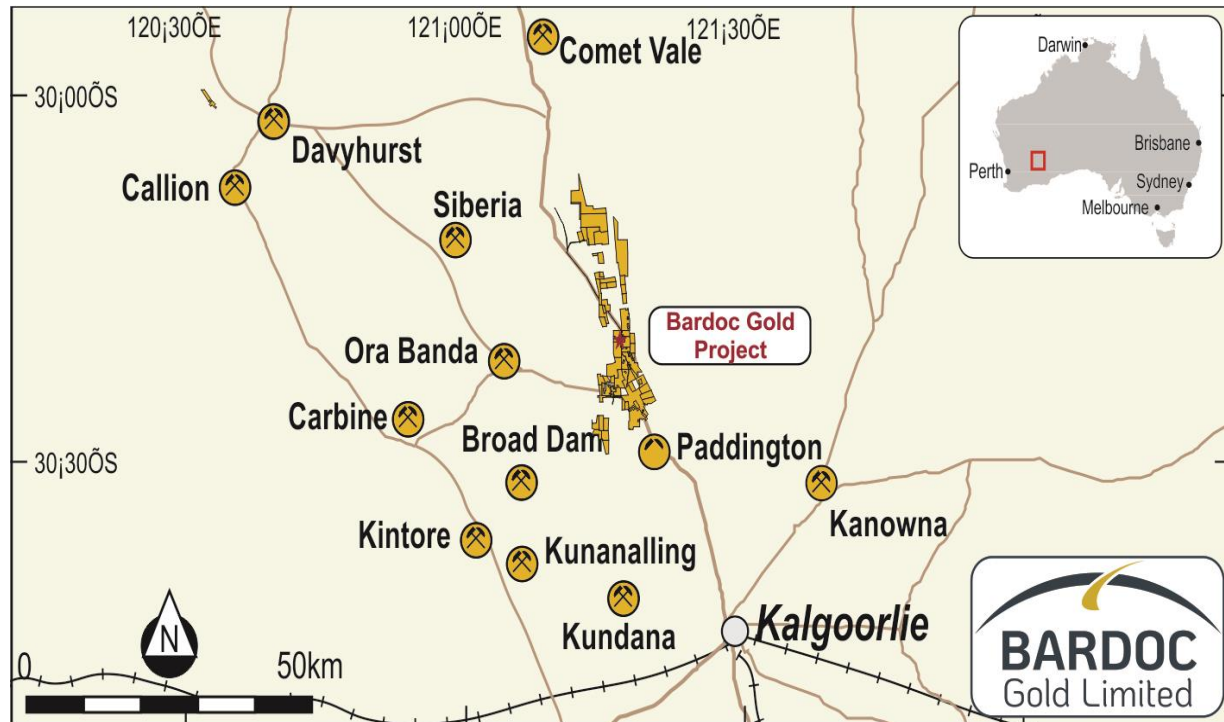


Figure 1: Bardoc Gold Project, Regional Location.

Located 30km north of Kalgoorlie on the Goldfields Highway, the new Bardoc Gold Project runs contiguously north for 50km in the Eastern Goldfields. There are four main deposits and a multitude of smaller projects within the 200km² land-holding, providing a large resource base and excellent exploration potential within the prolific Norseman-Wiluna greenstone belt and junction of the Bardoc Tectonic Zone (BTZ) and the Blag Flag Fault (BFF). These two deep-seated crustal structures host many multi-million-ounce deposits, including the world- renowned Golden Mile in Kalgoorlie.

EXPLORATION PROGRAMS

APHRODITE DIAMOND DRILLING PROGRAM

During the reporting period, a second phase of diamond drilling was completed at the Aphrodite deposit, part of the Bardoc Gold Project (see SPI: ASX Announcement, 3 September 2018), with assay results confirming the continuity and quality of the underground Resource.

The second program was mainly designed to in-fill and upgrade the current underground Mineral Resource, which comprises an Indicated and Inferred Resource of **2.9Mt at 7.0g/t Au for 663,000oz**.

ZOROASTRIAN EXTENSIONAL DRILLING

A short program of four Reverse Circulation (RC) drill holes for 1,271m successfully targeted extensions of one of the multiple high-grade lodes at the Zoroastrian deposit (which forms part of the land-holding acquired through the merger with Excelsior Gold outlined above).

The targeted lode was the South Zoroastrian Lode, which daylights some 500m south of the recently completed Zoroastrian Central Pit and plunges to the north at about 40-50 degrees.

The drilling intersected high-grade mineralisation outside the current Zoroastrian Mineral Resource with KNC180101 returning an intersection of 7m @ 4.83g/t Au from 410m down-hole, including 4m @ 7.27g/t Au from 412m (see SPI: ASX announcement 23 October 2018) (see Figures 7-8). This drill-hole intersected strong mineralisation some 100m down-plunge of the deepest previous mineralisation in KNC170040 of 7m @ 7.13g/t Au from 342m (see EXG: ASX announcement 6 December 2017).

The success of this extensional hole and the other drill holes, confirms that the mineralisation in the Zoroastrian South Lode is open at depth and can be targeted with extensional drilling to increase the known high-grade gold Resource.

POST PERIOD END – NEW PHASE OF DRILLING

A new phase of resource extension and upgrade drilling commenced recently at the Bardoc Gold Project, initially focusing on the Zoroastrian South and Blueys South lodes targeting potential down-plunge extensions. Three diamond holes will also be completed at the Mulwarrie deposit (located 10km north of the Davyhurst mining centre and 65km from Bardoc), designed to upgrade the resource category to Indicated.

ZOROASTRIAN SOUTH AND BLUEYS SOUTH EXTENSION DRILLING

The original program of four diamond drill holes for 1,500m has been extended. As noted above, drilling was planned to target down-plunge extensions for two of the multiple high-grade lodes at the Zoroastrian deposit. The main target was the Zoroastrian South Lode, which daylights some 500m south of the recently completed Zoroastrian Central Pit and plunges to the north at about 40-50 degrees. Significant results received from extensional drilling at the Zoroastrian deposit from drill-hole KND190002, include (Refer ASX Release 25 February 2019 for full details)

- 3.85m @ 16.29g/t Au from 123.50m
- 9.30m @ 4.32g/t Au from 260.70m including 3m @ 7.34g/t Au from 265.00m
- 1.40m @ 11.34g/t Au from 271.3m

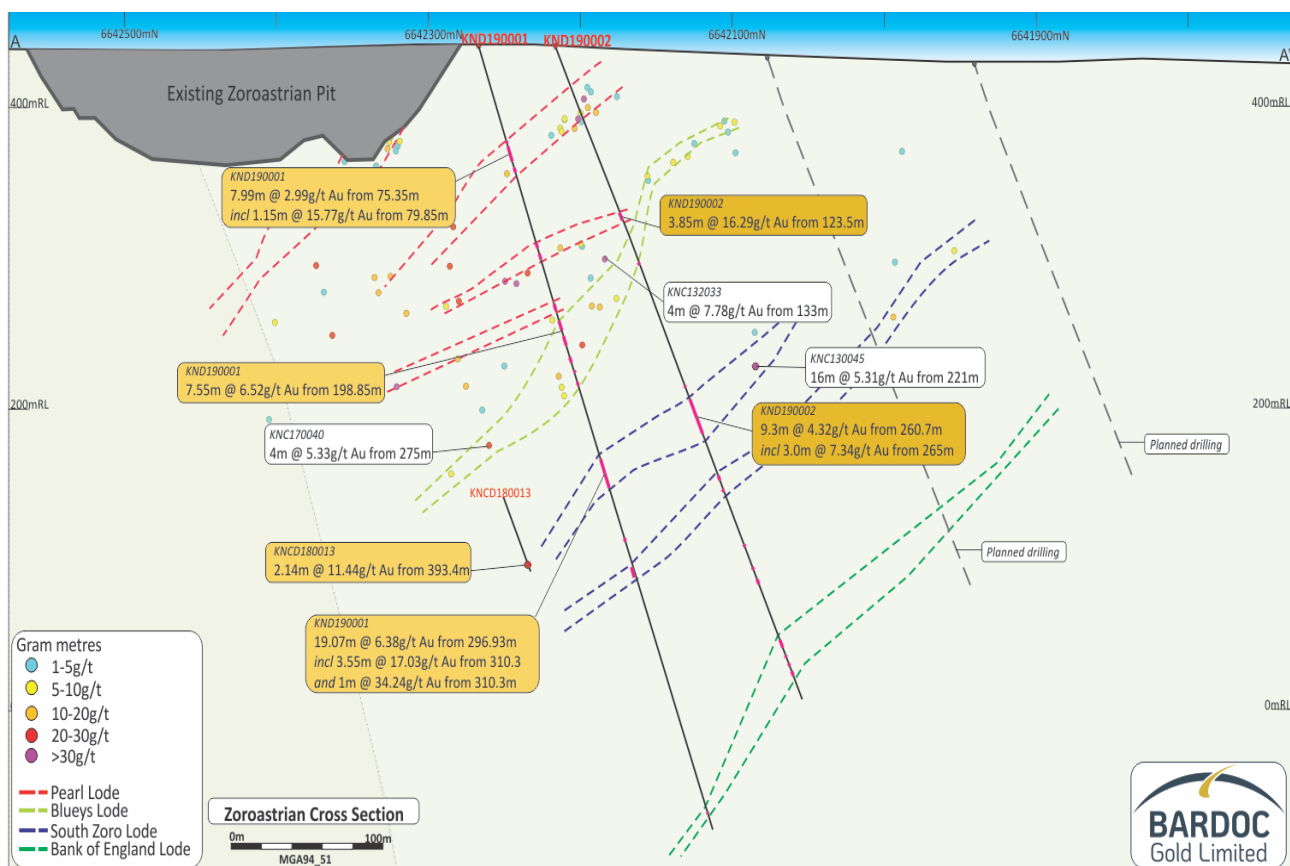


Figure 2: Oblique section 55°S of grid east (145°S) showing the new and recently reported extensional intercepts.
Zoroastrian Long Section – South Lode

CONSOLIDATED JORC RESOURCE ESTIMATE

During the half-year, Bardoc Gold completed a group JORC Mineral Resource Estimate (MRE) for the newly-consolidated Bardoc Gold Project totalling 2.6 million ounces of contained gold. The consolidated MRE incorporates an updated 1.56Moz 2012 JORC Mineral Resource for the Aphrodite deposit, as well as a maiden Resource for the satellite Mulwarrie deposit and an increased underground Resource for the Zoroastrian deposit (previously part of Excelsior Gold).

The 2.6Moz consolidated Mineral Resource Estimate will form part of the Company's ongoing technical studies and potential future Definitive Feasibility Studies on the combined Bardoc Gold Project.

Table 1: Global Resource – Bardoc Gold Project

BARDOC GOLD PROJECT RESOURCES			MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Original ASX Report Date
Deposit	Type	Cut-Off (g/t Au)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	
Aphrodite	OP	0.5	-	-	-	9,716	1.7	543	5,646	1.5	273	15,361	1.7	816	
Aphrodite	UG	2.5	-	-	-	2,895	4.5	417	1,920	5.4	330	4,815	4.8	747	
Aphrodite	TOTAL		-	-	-	12,611	2.4	960	7,566	2.5	603	20,176	2.4	1,563	
Zoroastrian	OP	0.5	-	-	-	3,702	1.9	228	1,730	1.6	87	5,432	1.8	315	
Zoroastrian	UG	2.5	-	-	-	336	4.1	273	476	4.5	68	812	4.3	113	
Zoroastrian	TOTAL		-	-	-	4,038	2.1	273	2,206	2.2	155	6,244	2.1	428	
Excelsior	OP	0.5	-	-	-	6,259	1.3	259	1,469	1.1	50	7,728	1.2	309	
Mulwarrie	OP		-	-	-	-	-	-	881	2.8	79	881	2.8	79	
Bulletin South	OP	0.5	152	2.2	11	546	2.1	36	150	2.1	10	849	2.1	57	
Lochinvar	OP	0.6	-	-	-	448	1.7	25	60	1.7	3	508	1.7	28	19-Feb-14
Nerrin Nerrin	OP	0.6	-	-	-	74	2.4	6	107	2.4	8	181	2.4	14	15-Nov-13
Ophir	OP	0.6	-	-	-	-	-	-	75	1.9	5	75	1.9	5	11-Dec-13
Vettersburg South	OP	0.6	-	-	-	-	-	-	552	1.5	26	552	1.5	26	11-Dec-13
Eldorado	OP	0.6	-	-	-	362	1.6	19	31	1.4	1	393	1.6	20	11-Sep-13
Talbot North *	OP	0.6	-	-	-	-	-	-	662	1.7	36	662	1.7	36	31-Mar-10
Windanya	OP	0.6	-	-	-	-	-	-	360	1.5	17	360	1.5	17	11-Dec-13
TOTAL RESOURCES			152	2.3	11	24,338	2.0	1,578	14,118	2.2	993	38,608	2.1	2,582	

* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Note: Differences may occur due to rounding. Full details of the Mineral Resource estimate were provided in the Company's ASX Announcement dated 13 November 2018.

MINING STUDIES

A number of significant and very positive interim results were received from ongoing Feasibility and Technical Studies for the Bardoc Gold Project during the period. Results from ongoing metallurgy on the key Alpha and Phi underground deposits at Aphrodite using oxidative leach conditions typically used in the Albion Process™ have demonstrated significant improvements in overall gold recoveries. The Albion Process™ is a combination of ultra-fine grinding and oxidative leaching at atmospheric pressure using industry-standard equipment utilised at major mining operations around the world. The demonstrated improvements in both process recoveries and operating costs will have a significant and positive impact on mine planning and modelling.

OTHER EXPLORATION PROJECTS

During the period, the Company engaged manganese specialists AEMCO Pty Ltd to undertake a comprehensive technical review of the South Woodie Woodie manganese assets. South Woodie Woodie is located 180km north-east of Newman in Western Australia, a region well known and highly prospective for manganese mineralisation. A field trip to the project area in September further reinforced the potential of the project, with 11 surface samples taken from manganese outcrops over two newly-identified targets.

In light of its ongoing focus on the 2.6Moz Bardoc Gold Project, the Company withdrew from the Farm-in Agreement covering the Alice River Gold Project in North Queensland during the half-year. In addition due to limitations with land access, the tenement covering the Yoda Gold Project was relinquished during the half-year.

FINANCIAL SUMMARY

The net operating loss for the period was \$32,514,139 which included non-cash share-based payments of \$27,675,879 including the expensing of exploration and evaluation expenditures (including acquisition costs) in accordance with the company's accounting policy. Key expenditure items in the half year results are:

- Exploration and Evaluation expenditure of \$2,784,989 (2017: \$1,969,627);
- Acquisition premium/duty/goodwill expensed of \$3,231,504 (2017: \$18,982,430);
- Exploration and Evaluation assets expensed of \$25,539,216 (2017: \$12,500,000);
- Merger Costs \$65,298 (2017: \$346,014);
- Administrative expenses \$604,447 (2017: \$330,471) and
- Consulting fees \$156,455 (2017: \$193,724)

The net liabilities of the Group are (\$6,441,102) as at 31 December 2018 (30 June 2018: \$831,914) are due primarily to the Company's policy of expensing Exploration and Evaluation Expenditures as incurred and the inclusion of rehabilitation liabilities and loans in the Balance Sheet.

EVENTS SUBSEQUENT TO REPORTING DATE

On 31st January 2019, the Company entered into an agreement with an entity associated with its Executive Director Mr Neil Biddle for an unsecured loan facility of A\$1 million.

On 28 February 2019, the Company announced a capital raising via a placement and rights issue to raise up to A\$11.3 million. The share placement will comprise 175 million shares at an issue price of 4c per share to raise A\$7.0 million and is expected to be completed in early March 2019. The Company will also undertake a non-renounceable pro-rata entitlements issue to raise up to A\$4.3 million. On completion the company will also issue 4 million share options exercisable into ordinary shares at 5c per share expiring 28 February 2021 to consultants for assistance with the capital raising.

Following completion of the Placement, highly experienced corporate executive Mr Tony Leibowitz will join the Bardoc board and it is proposed that he will be appointed as Chairman. Concurrent with the appointment of Mr Leibowitz to the board, Mr David Hatch and Mr Sam Randazzo will step down from the board. The Company would like to take this opportunity to sincerely thank Mr Hatch and Mr Randazzo for their significant contribution and periods of service to the boards of both Bardoc Gold and Excelsior Gold Limited.

There has not been any other matter or circumstance occurring subsequent to the end of the half year, that has 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

The lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half year ended 31 December 2018. This report is signed in accordance with a resolution of the Board of Directors.



JOHN YOUNG
MANAGING DIRECTOR
6th March 2019

Competent Person's Statement

The Company confirms it is not aware of any new information or data that materially affects the information included in the 13 November 2018 Bardoc Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 13 November, 2018.

The information in this announcement relating to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by the Company's proposed Managing Director, Mr John Young, a competent person, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Young has sufficient experience relevant to the style of mineralisation and to the type of activity described 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 Young has disclosed to the Company that he is a substantial shareholder in the Company. Mr Young consents to the inclusion in this announcement of the matters based on his information in the form and content in which it appears.

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Bardoc Gold Limited for the period ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Partner

Dated at Perth this 6th day of March 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Continuing Operations			
Interest received		7,789	25,951
Fair value of rehabilitation provision		61,644	-
Other Income		6,261	650
Gross profit/(loss)		75,694	26,601
Depreciation expense		(60,095)	(26,025)
Consulting expenses		(156,455)	(193,724)
Occupancy costs		(65,492)	(38,418)
Travel expenses		(28,706)	(35,375)
Exploration and Evaluation expenditure		(2,784,989)	(1,969,627)
Acquisition premium/duty/goodwill expensed	7	(3,231,504)	(18,982,430)
Exploration and Evaluation assets expensed	7	(25,539,216)	(12,500,000)
Share based payments		(16,624)	(1,621,969)
Merger costs		(65,298)	(346,014)
Finance costs		(37,007)	-
Administrative expenses		(604,447)	(330,471)
Loss before income tax		(32,514,139)	(36,017,452)
Income tax (expense)/revenue		-	-
Profit/(Loss) from continuing operations		(32,514,139)	(36,017,452)
Other comprehensive income/(expense)		-	10,751
Total comprehensive income/ (loss) for the period		-	10,751
Total comprehensive income / (loss) attributable to the members of the Company		(32,514,139)	(36,006,701)
Profit/(Loss) per share			
From continuing operations:			
Basic and diluted profit/(loss) per share for the half year		(4.529c)	(13.898c)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,436,886	2,722,896
Trade and other receivables		332,401	542,907
Other Assets		191,951	192,269
TOTAL CURRENT ASSETS		1,961,238	3,458,072
NON-CURRENT ASSETS			
Property, plant and equipment		367,023	243,312
TOTAL NON-CURRENT ASSETS		367,023	243,312
TOTAL ASSETS		2,328,261	3,701,384
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		840,511	1,474,891
Borrowings	5	500,000	250,000
Provisions	6	1,901,280	808,407
TOTAL CURRENT LIABILITIES		3,241,791	2,533,298
NON-CURRENT LIABILITIES			
Borrowings	5	1,750,000	2,000,000
Rehabilitation provision	6	3,777,572	-
TOTAL NON-CURRENT LIABILITIES		5,527,572	2,000,000
TOTAL LIABILITIES		8,769,363	4,533,298
NET ASSETS/(LIABILITIES)		(6,441,102)	(831,914)
EQUITY			
Issued capital	4	100,797,550	73,467,051
Reserves		2,977,643	3,495,707
Accumulated losses		(110,216,295)	(77,794,672)
TOTAL EQUITY		(6,441,102)	(831,914)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2018

	Issued Capital	Share Options & Rights Reserve	Foreign Exchange Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2017	40,772,187	765,709	(10,751)	(36,064,670)	5,462,475
Loss for the period	-	-	-	(36,017,452)	(36,017,452)
Other comprehensive income	-	-	10,751	-	10,751
Total comprehensive income for the period	-	-	10,751	(36,017,452)	(36,006,701)
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	26,530,264	-	-	-	26,530,264
Share based payments	-	2,436,244	-	-	2,436,244
Expiry of share options	-	(119,800)	-	119,800	-
Balance at 31 December 2017	67,302,451	3,082,153	-	(71,962,322)	(1,577,718)
Balance at 1 July 2018	73,467,051	3,495,707	-	(77,794,672)	(831,914)
Loss for the period	-	-	-	(32,514,139)	(32,514,139)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(32,514,139)	(32,514,139)
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	26,882,511	-	-	-	26,882,511
Share based payments	-	22,440	-	-	22,440
Expiry of share options	-	(92,516)	-	92,516	-
Exercise of performance rights	447,988	(447,988)	-	-	-
Balance at 31 December 2018	100,797,550	2,977,643	-	(110,216,295)	(6,441,102)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to suppliers and employees	(1,239,868)	(654,977)
Payments for exploration and evaluation	(3,263,974)	(1,797,693)
Other revenue	5,900	650
Interest received	20,202	25,514
Interest expense	(37,006)	-
R&D grant received	324,147	-
Other (Merger costs)	(65,298)	(204,202)
Net cash used in operating activities	(4,255,897)	(2,630,708)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(4,320)	(55,982)
Payments for Investments (Aphrodite Gold Ltd)	-	(1,192,006)
Other - Net Cash inflow from acquisition of subsidiary	2,974,207	51,412
Net cash from/ (used in) investing activities	2,969,887	(1,196,576)
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents	(1,286,010)	(3,827,284)
Cash and cash equivalents at the beginning of the period	2,722,896	5,556,722
Cash and cash equivalents at the end of the period	1,436,886	1,729,438

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2018

NOTE 1. BASIS OF PREPARATION

REPORTING ENTITY

Bardoc Gold Limited (Formerly Spitfire Materials Limited) (the “Company”) is a Company domiciled in Australia. The address of the Company’s registered office is 130 Stirling Highway, North Fremantle WA 6159. The consolidated financial statements of the Company as at and for the half year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities. The Group primarily is involved in the minerals exploration industry.

a) Statement of compliance

These General-Purpose Financial Statements for the interim half year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bardoc Gold Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018 together with any public announcements made by Bardoc Gold Limited and its controlled entities during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

b) Reporting Basis and Conventions

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s last annual financial statements for the year ended 30 June 2018, except for the impact of the standards and Interpretations described in 1 (f).

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

c) Financial Instruments

The Group’s financial instruments consist of trade and other receivables, trade and other payables and borrowings. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

Any trading financial assets held by the Group are level-1 financial instruments and valued using the quoted bid prices from the Australian Securities Exchange as at the reporting date.

d) Basis of measurement

The interim financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

e) Going Concern

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

The Company incurred a loss for the half-year of \$32.514m (2017: \$36.017m) included in the loss were non-cash share-based payments of \$27.67m.

As at 31 December 2018 the Company had a working capital deficit of \$1.281m (30 June 2018: surplus of \$0.925m) and had minimum exploration commitments of \$1.327m. As disclosed in note 10, on 28 February 2019 the Company announced a \$11.3m Share Placement and Rights Issue.

The company has prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet the minimum exploration commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to in the review of operations above, the directors have a reasonable basis to believe that the going concern principle of preparation is appropriate.

f) New Accounting Standards

Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 *Financial Instruments* and related amending Standards
- AASB 15 *Revenue from Contracts with Customers* and related amending Standards
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 *Financial Instruments* (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 *Financial Instruments: Disclosures*.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Group has applied AASB 15 *Revenue from Contracts with Customers* (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

NOTE 2. SEGMENT REPORTING

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its individual exploration commodity and the remaining treasury function. Operating segments are therefore determined on the same basis.

Types of exploration by project segment

(i) Australia – Gold Exploration

The Australian gold exploration segment includes the Alice River, Bardoc, Mulwarrie, England and Yoda gold projects.

(ii) Australia – Manganese Exploration

The manganese exploration segment is the maintenance of the Manganese project at South Woodie in the East Pilbara.

(iii) Australia – Treasury

In addition, the Company has included a Treasury segment that includes the surplus cash of which the majority is invested in Bank term deposits.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, as the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Other corporate charges

FINANCIAL STATEMENTS



Consolidated 31 December 2018	Australia – Gold Exploration \$	Australia – Manganese Exploration \$	Australia – Treasury \$	Consolidated Group \$
SEGMENT PERFORMANCE				
Finance revenue	62,768	-	6,665	69,433
Total segment and group revenue				69,433
<i>Reconciliation of segment revenue to group revenue</i>				
Other revenue				6,261
Total group revenue				75,694
Segment net profit/(loss) from continuing operations before tax	(31,477,781)	(45,673)	6,665	(31,516,789)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
- Other tax revenue	-	-	-	-
Unallocated Items				
- Consulting Fees				(156,455)
- Depreciation				(60,095)
- Other				(780,800)
Net Profit/(loss) before tax from continuing operations				(32,514,139)
SEGMENT ASSETS				
Segment assets	864,268	8,702	1,239,685	2,112,655
<i>Reconciliation of segment assets to group assets</i>				
Unallocated items				
- Other				215,606
Total group assets				2,328,261
Segment asset increases/(decreases) for period:				
- Cash	27,214	6,254	(1,319,478)	(1,286,010)
- Other	(268,196)	333	180,750	(87,113)
	(240,982)	6,587	(1,138,728)	(1,373,123)
SEGMENT LIABILITIES				
Segment liabilities				
Payables	486,268	450	-	486,718
Borrowings	2,250,000	-	-	2,250,000
Provisions	5,598,812	-	-	5,598,812
<i>Reconciliation of segment liabilities to group liabilities</i>				
Unallocated items				
- Other				433,833
Total group liabilities				8,769,363

FINANCIAL STATEMENTS



Consolidated 31 December 2017	Australia – Gold Exploration \$	Australia – Manganese Exploration \$	Australia – Treasury \$	Consolidated Group \$
SEGMENT PERFORMANCE				
Finance revenue	-	-	25,951	25,951
Total segment and group revenue				25,951
<i>Reconciliation of segment revenue to group revenue</i>				
Other revenue				650
Total group revenue				26,601
Segment net profit/(loss) from continuing operations before tax	(33,396,995)	(76,433)	25,951	(33,447,477)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
- Other tax revenue	-	-	-	-
Unallocated Items				
- Consulting Fees				(193,724)
- Depreciation				(26,025)
- Other				(2,350,226)
Net Profit/(loss) before tax from continuing operations				(36,017,452)

Consolidated 30 June 2018	Australia – Gold Exploration \$	Australia – Manganese Exploration \$	Australia – Treasury \$	Consolidated Group \$
SEGMENT ASSETS				
Segment assets	1,105,250	2,115	2,472,647	3,580,012
<i>Reconciliation of segment assets to group assets</i>				
Unallocated items				
- Other	-	-	-	121,372
Total group assets				3,701,384
Segment asset increases/(decreases) for period:				
- Cash	151,716	(80)	(3,020,093)	(2,868,457)
- Other	657,636	-	-	657,636
Unallocated items				
- Other				70,799
	809,352	(80)	(3,020,093)	(2,140,022)
SEGMENT LIABILITIES				
Segment liabilities				
Payables	1,130,243	2,543	-	1,132,786
Borrowings	2,250,000	-	-	2,250,000
Provisions	787,665	-	-	787,665
<i>Reconciliation of segment liabilities to group liabilities</i>				
Unallocated items				
- Other				362,847
Total group liabilities				4,533,298

NOTE 3. COMMITMENTS

a) Operating Lease Commitments

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Non-cancellable operating lease contracted for but not capitalised in the financial statements:		
Payable		
- Within one year	59,864	60,040
- One year or later and no later than five years	-	13,194
	59,864	73,234

b) Exploration Commitments

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
In order to maintain current rights of tenure to exploration tenements, the Company has the following discretionary exploration expenditure up until the expiry of leases. These obligations are not provided for in the financial statements and are payable to maintain rights of tenure:		
- Within one year	1,326,863	493,080
- One year or later and no later than five years	4,081,776	1,585,280
- Later than five years	6,018,245	1,732,167
	11,426,884	3,810,527

The sale, transfer, surrender or farm-out of exploration rights to third parties reduces or extinguish these obligations.

In 2012 Aphrodite Gold Limited received \$2,500,000 by way of an interest free royalty advance from Franco-Nevada. The advance required no repayment for the first 5 years with the first royalty year commencing on 1 November 2017 and if production commences a royalty of 2.5% is payable. The terms of the Royalty agreement include an annual minimum royalty of \$250,000 per annum from 1 November 2017.

NOTE 4. ISSUED CAPITAL

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
a. Ordinary shares		
Balance at the beginning of reporting period	73,467,051	36,272,187
- 3 July 2017 @ \$0.06c (Placement)	-	4,500,000
- 20 December 2017 @ \$0.12c (Aphrodite Gold Acquisition)	-	26,530,264
- 29 January 2018 @ \$0.10c (Placement)	-	5,330,000
- 29 January 2018 Expenses pertaining to placement	-	(35,400)
- 29 June 2018 @ \$0.087c (Mulwarrie)	-	870,000
- 3 October 2018 @ \$0.071c (Excelsior Gold Acquisition)	26,882,511	-
- 12 October 2018 exercising of Performance rights	447,988	-
	100,797,550	73,467,051

FINANCIAL STATEMENTS



Consolidated		
	31 December 2018 No.	30 June 2018 No.
a. Ordinary shares		
At the beginning of reporting period	531,068,820	171,683,293
Shares issued during the year		
- 3 July 2017 @ \$0.06c (Placement)	-	75,000,000
- 20 December 2017 @ \$0.12c (Aphrodite Gold Acquisition)	-	221,085,527
- 29 January 2018 @ \$0.10c (Placement)	-	53,300,000
- 29 June 2018 @ \$0.087c (Mulwarrie)	-	10,000,000
- 3 October 2018 @ \$0.071c (Excelsior Gold Acquisition)	378,626,920	-
- 12 October 2018 (Performance rights exercised)	6,000,000	-
	915,695,740	531,068,820
At the Shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each Shareholder has one vote on a show of hands.		
b. Share Options		
At the beginning of reporting period	43,362,635	20,225,000
Issued during the year		
- 23 August 2017 (\$0.16c expiring 31 May 2020)	-	2,000,000
- 4 January 2018 (\$0.1158c expiring 19 August 2019)	-	13,812,635
- 2 February 2018 (\$0.16c expiring 31 March 2021)	-	400,000
- 28 March 2018 (\$0.16c expiring 31 March 2021)	-	7,500,000
- 3 October 2018 (Excelsior Gold Acquisition, expiring 24 November 2018)	6,340,580	-
Expired during the year		
- 15 August 2012 (\$1.20 expired 15 August 2017)	-	(100,000)
- 22 November 2012 (\$1.10 expired 22 November 2017)	-	(475,000)
- 24 November 2018 (Excelsior Gold Acquisition, expired 24 November 2018)	(6,340,580)	-
	43,362,635	43,362,635
c. Performance Rights		
At the beginning of reporting period	23,300,000	20,000,000
Issued during the year		
- 8 February 2018 (Class C performance rights)	-	2,150,000
- 8 February 2018 (Class D performance rights)	-	2,150,000
Lapsed during the year		
- 29 June 2018 (Class C performance rights)	-	(500,000)
- 29 June 2018 (Class D performance rights)	-	(500,000)
Exercised during the year		
- 12 October 2018 (Class A performance rights)	(3,500,000)	-
- 12 October 2018 (Class B performance rights)	(2,500,000)	-
	17,300,000	23,300,000

NOTE 5. BORROWINGS

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
CURRENT		
Fair value of interest-free royalty advance	500,000	250,000
NON-CURRENT		
Fair value of interest-free royalty advance	1,750,000	2,000,000
	2,250,000	2,250,000

In 2012 Aphrodite Gold Limited received \$2,500,000 by way of an interest free royalty advance from Franco-Nevada. The advance required no repayment for the first 5 years with the first royalty year commencing on 1 November 2017 and if production commences a royalty of 2.5% is payable. The terms of the Royalty agreement include an annual minimum royalty of \$250,000 per annum from 1 November 2017.

NOTE 6. PROVISIONS

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
CURRENT		
Provision for employee benefits	80,040	17,028
Provision for Stamp Duty	1,821,240	637,665
Other provisions	-	153,714
	1,901,280	808,407
NON-CURRENT		
Rehabilitation provision	3,777,572	-
Reconciliation of Rehabilitation provision		
Balance at beginning of the period	-	-
Provision recognised as result of merger	3,839,216	-
Increase in provision for the period	100,067	-
Discount on recognition at present value	(161,711)	-
Balance at the end of the period	3,777,572	-

Restoration, Rehabilitation and Environmental Provision

Obligations associated with exploration and development are recognised at their present value when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the estimated value of the future expenditure. The determination of the provision requires significant judgement in terms of the best estimate of the costs of performing the work required. In support of these judgements, the Group periodically seeks independent external advice on the adequacy of the provision. A change in any, or a combination of, the key assumptions used to determine the provision could have a material impact on the carrying value of the provision. The unwinding of the discount on the provision is included in profit or loss within finance costs, with any changes to estimated costs or discount rates are applied prospectively.

NOTE 7. BUSINESS COMBINATIONS

c) Excelsior Gold Limited

On 3 October 2018, Bardoc Gold Limited acquired 100% of the ordinary share capital and voting rights in Excelsior Gold Limited by way of a Scheme of Arrangement.

d) Acquisition consideration

As consideration for the balance of the issued capital of Excelsior Gold Limited, Spitfire issued 378,626,920 shares in Bardoc Gold Limited valued at \$26,882,511 (including merger acquisition premium/goodwill) and issued 6,340,580 share options exercisable at 11.04c per share expiring on 24 November 2018.

e) Acquisition premium/goodwill

As at 31 December 2018, the accounting for the acquisition of Excelsior Gold Limited has been accounted for as a Business Combination on a provisional basis. The identifiable net assets of the acquiree are remeasured to their fair value on the date of acquisition (i.e. the date that control passes). Acquisition premium is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets acquired. As it is the Groups accounting policy to expense exploration expenditure including acquisition costs as incurred, any excess of consideration over the fair value of the net assets of the acquiree has been immediately expensed (acquisition premium/goodwill). Details of the transaction are as follows:

	Fair Value
Fair value of:	
- Share consideration to acquire the balance of Excelsior Gold Limited - share capital	26,882,511
- Options issued to replace existing Excelsior Gold Limited options on issue	5,816
	<u>26,888,327</u>
- Provision for Stamp Duty on Acquisition	1,111,465
	<u>27,999,792</u>
Fair value of assets and liabilities held at acquisition date by Excelsior Gold:	
- Cash	2,974,207
- Trade & Other receivables	37,023
- Other assets	8,605
- Security deposits	72,454
- Exploration and Evaluation Assets*	25,539,216
- Property, plant & equipment	179,487
- Trade and other payables	(160,083)
- Provision for annual leave	(43,405)
- Provision for rehabilitation	(3,839,216)
	<u>24,768,288</u>
Fair value of identifiable assets and liabilities assumed	24,768,288
Acquisition premium/goodwill expensed to profit or loss	3,231,504
	<u>24,768,288</u>
Fair value of identifiable assets and liabilities assumed	24,768,288
*Adjustment to the fair value of exploration assets in accordance with the Group's accounting policy to expense exploration and evaluation costs as incurred	(25,539,216)
Fair value of identifiable assets and liabilities assumed	(770,928)

Fair value of the Excelsior Exploration and Evaluation Assets project was derived from an Independent valuation prepared by Dunbar Resources Management as part of the Scheme Booklet for the merger with Excelsior Gold Limited. A preferred value of \$21,700,000 (net of the required provision for rehabilitation) was adopted.

NOTE 8. SHARE BASED PAYMENTS

Shares

On 3 October 2018, in accordance with the Scheme of arrangement, Bardoc issued 378,626,920 fully-paid new ordinary shares as consideration for the transfer of Excelsior Gold shares to Bardoc under the Scheme. Bardoc also granted 6,340,580 unlisted options, each exercisable at \$0.1104 on or before 24 November 2018.

Options

There were no options granted during the reporting period, other than the 6,340,580 granted under the Scheme. These options expired on 24 November 2018.

The number and weighted average exercise prices of share options issued are as follows:

Consolidated	Weighted average exercise price	Number of options
Options outstanding as at 30 June 2018	15.03c	43,362,635
Granted 3 October 2018	11.04c	6,340,580
Expired 24 November 2018	11.04c	(6,340,580)
Options outstanding as at 31 December 2018	15.03c	43,362,635
Options exercisable as at 31 December 2018:		43,362,635
Options exercisable as at 30 June 2018:		43,362,635

The weighted average remaining contractual life of options outstanding at year end was 1.66 years. The range of exercise prices of outstanding options at reporting date is from 11c to 45c.

NOTE 9. RELATED PARTY TRANSACTION DISCLOSURE

As per ASX announcement on 20 July 2018, Bardoc entered into loan facility agreements with entities associated with directors Peter Buttigieg and Neil Biddle for unsecured loan facilities up to a total of A\$1 million. There was no drawdown on these loans during the period and the facility expired on 3 October 2018.

NOTE 10. EVENTS AFTER THE BALANCE SHEET DATE

On 31st January 2019, the Company entered into an agreement with an entity associated with its Executive Director Mr Neil Biddle for an unsecured loan facility of A\$1 million.

On 28 February 2019, the Company announced a capital raising via a placement and rights issue to raise up to A\$11.3 million. The share placement will comprise 175 million shares at an issue price of 4c per share to raise A\$7.0 million and is expected to be completed in early March 2019. The Company will also undertake a non-renounceable pro-rata entitlements issue to raise up to A\$4.3 million. On completion the company will also issue 4 million share options exercisable into ordinary shares at 5c per share expiring 28 February 2021 to consultants for assistance with the capital raising.

Following completion of the Placement, highly experienced corporate executive Mr Tony Leibowitz will join the Bardoc board and it is proposed that he will be appointed as Chairman. Concurrent with the appointment of Mr Leibowitz to the board, Mr David Hatch and Mr Sam Randazzo will step down from the board. The Company would like to take this opportunity to sincerely thank Mr Hatch and Mr Randazzo for their significant contribution and periods of service to the boards of both Bardoc Gold and Excelsior Gold Limited.

There has not been any other matter or circumstance occurring subsequent to the end of the half year, that has 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.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 23, are in accordance with the Corporations Act 2001 and:
 - Comply with Accounting Standards AASB 134: Interim Financial Reporting; and
 - Give a true and fair view of the financial position as at 31 December 2018 and of the performance for the half year ended on that date of the Company and consolidated Group.
2. In the Directors' opinion, 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 made in accordance with a resolution of the Board of Directors.



JOHN YOUNG
DIRECTOR

Dated this 6th day of March 2019

Independent Auditor's Review Report

To the Members of Bardoc Gold Limited

We have reviewed the accompanying financial report of Bardoc Gold Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 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 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 the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a 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.

Independent Auditor's Review Report

To the Members of Bardoc Gold Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Bardoc Gold Limited 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 period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 6th day of March 2019