



ORMINEX

(previously named Mintails Limited)

ABN 45 008 740 672

INTERIM FINANCIAL REPORT
For the half-year ended 31 December 2018

ORMINEX LIMITED
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CORPORATE DIRECTORY

Directors

Mr Daryl Henthorn – Executive Chairman
Mr Emmanuel Correia – Non-Executive Director
Mr John Correia – Non-Executive Director

Company Secretary

Ms Kelly Moore

Registered and Principal Office

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Auditors

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Perth WA 6000

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ASX Code

Ordinary Shares- ASX Code: ONX (previously MLI)

ORMINEX LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Orminex Limited (the Company) and of the Group, being the Company and its subsidiaries for the financial half-year ended 31 December 2018 and the auditor's report thereon.

1. DIRECTORS

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

Name	Position
Daryl Henthorn	Executive Chairman
Emmanuel Correia	Non-Executive Director
John Correia	Non-Executive Director

2. REVIEW OF OPERATIONS

Comet Vale Project

The Group owns 51% of the high-grade Comet Vale Project through a joint venture with Sand Queen Gold Mines Ltd. The Comet Vale Project comprises a historic open pit and underground gold mine located ~100 km NW of Kalgoorlie with an approved mine plan.

Mining development at Comet Vale advanced during the period. The near-term priority remains on advancing the decline to the historically higher grade and largely unmined resource below the 4-level. Once ore is being mined from below the 4-level, it is expected that mining and processing will reach a steady state of production.

Gold Pours

Remnant ore continues to be stockpiled for transport to the Burbanks Mill for processing. To date, there have been two gold pours after processing of remnant ore from Comet Vale. The gold pours have been from additional ore which did not form part of the current mine plan. The Company continues to accumulate a campaign size parcel for the next gold pour.

Option Over Burbanks Gold Processing Mill

As announced on 14 January 2019, the Group's strategic partner, GBF Mining Pty Ltd ('GBF'), has secured the right to enter a 12-month lease with an attached option to buy 50% of the Burbanks Gold Processing Mill. The Burbanks Mill has sufficient capacity to process ore from Comet Vale and potentially, any surplus processing capacity at the Burbanks Mill, can be used to process ore from other Mineral Venture gold projects in the region as the Group's portfolio expands.

Updated Long Section

Post 31 December 2018, the Company provided an updated long section showing the current mine plan, current decline level, historical mine information and previously announced drill results for the Comet Vale project (refer to ASX announcement released on 14 January 2019 for further details). Previously announced drill results below the 6-level show multiple high-grade hits up to 200m below the existing mine plan. Successful further resource definition drilling could potentially support extending the current mine plan.

Happy Jack Project

On 16 August 2018, the Group announced the consolidation of its tenement position through the acquisition of the Happy Jack tenement – P29/2217, which is surrounded by the Company's Comet Vale tenements.

The Happy Jack tenement was previously mined circa 1890 and an approved program of works is currently in place to undertake drilling and exploration activities.

The tenement was purchased for \$60,000 plus 1% net smelter royalty.

ORMINEX LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (CONT)

Penny's Find

Post half-year end, the Company announced the acquisition 100% of the Penny's Find gold mine, located 50km northeast of Kalgoorlie in Western Australia. The Company has signed a binding term sheet with Empire Resources Ltd to acquire Penny's Find for staged cash payments totalling A\$600,000 and a 5% net smelter royalty, subject to detailed documents being executed over the coming weeks and all necessary approvals being obtained.

Corporate Matters

Change of Registered Office and Principal Place of Business

Effective 9 July 2018, the Company changed the address of its registered office and principal place of business to Level 1, 1A Agnew Way, Subiaco WA 6008.

Small Share Parcels Facility

On 6 August 2018, the Company closed the share sale facility for shareholders who, on 21 June 2018, held a parcel of ordinary fully paid shares valued at less than \$500. The final number of shares sold under the facility was 83,991 ordinary shares from 1,567 holders.

Expiry of Unlisted Options

During the quarter, 27,698 unlisted options in the Company expired. Refer to the announcement on 17 December 2018 for further detail.

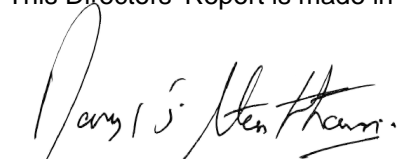
Significant Changes in the State of Affairs

In the opinion of the directors there were no matters that significantly affected the state of affairs of the Group during the financial year, other than those matters referred to in the overview above.

3. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is included in the Directors' Report for the financial half year ended 31 December 2018.

This Directors' Report is made in accordance with a resolution of the Directors.



Daryl Henthorn
Executive Chairman
Orminex Limited
13 March 2019

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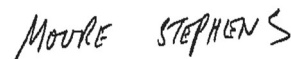
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ORMINEX LIMITED**

As auditor for the review of Orminex Limited for the half-year 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
- No contraventions of any applicable code of professional conduct in relation to the review.



SL Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth on this 13th day of March 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 \$	30 June 2018 \$
Assets			
Cash and cash equivalents		2,767,049	4,823,745
Trade and other receivables	4.1	31,895	172,864
Prepayments		8,684	3,917
Total current assets		2,807,628	5,000,526
Exploration and evaluation	3.1	7,010,041	6,834,124
Property, plant and equipment		31,569	33,235
Trade and other receivables	4.1	2,627,671	1,009,863
Total non-current assets		9,669,281	7,877,222
Total assets		12,476,909	12,877,748
Liabilities			
Trade and other payables	4.2	188,003	138,697
Total current liabilities		188,003	138,697
Total liabilities		188,003	138,697
Net assets		12,288,906	12,739,051
Equity			
Issued Share capital	5.1	295,645,115	295,645,115
Accumulated losses		(283,356,209)	(282,906,064)
Total equity attributable to equity holders of the Company		12,288,906	12,739,051

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 \$	31 December 2017 \$
Revenue from operating activities			
Other income	2.2	141,716	-
Expenses			
Directors' remuneration	6.1	(145,000)	-
Administrative costs		(53,688)	(49,858)
Accountancy and audit costs		(85,345)	(36,439)
Legal fees		(34,619)	(96,645)
Consultants fee		(48,630)	(14,695)
Travel and accommodation		(36,088)	-
Other expenses	2.3	(188,491)	(7,724)
Results from operating activities		(450,145)	(205,360)
Finance costs		-	-
(Loss) / profit before income tax		(450,145)	(205,360)
Income tax expense		-	-
(Loss) / profit for the period		(450,145)	(205,360)
Other comprehensive income		-	-
Total comprehensive loss for the period		(450,145)	(205,360)
Loss attributable to the owners of the Company		(450,145)	(205,360)
Total comprehensive profit attributable to owners of the Company		(450,145)	(205,360)
Earnings per share			
Basic and diluted (cents per share)		(0.08)	(9.92)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Share capital	Accumulated Losses	Total
Balance at 1 July 2018	295,645,115	(282,906,064)	12,739,051
Loss for the period	-	(450,145)	(450,145)
Total other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(450,145)	(450,145)
Transactions with owners, recorded directly in equity	-	-	-
Balance at 31 December 2018	295,645,115	(283,356,209)	12,288,906

	Share capital	Accumulated Losses	Total
	\$	\$	
Balance at 1 July 2017	280,506,000	(281,135,226)	(629,226)
Loss for the period	-	(205,360)	(205,360)
Total other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(205,360)	(205,360)
Transactions with owners, recorded directly in equity	-	-	-
Balance at 31 December 2017	280,506,000	(281,340,586)	(834,586)

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 2018

	31 December 2018	31 December 2017
Note	\$	\$
Cash flows from operating activities		
Cash paid to suppliers and employees	(568,814)	(175,503)
Interest received	23,908	-
Refund received relating to prior periods	193,748	-
Net cash used in operating activities	(351,158)	(175,503)
Cash flows from investing activities		
Payment for exploration and evaluation	(130,416)	-
Payment for mine development	(62,994)	-
Payment for property, plant and equipment	(12,128)	-
Net cash used in investing activities	(205,538)	-
Cash flows from financing activities		
Proceeds from borrowings	-	200,774
Transfer to creditor's trust	-	(400,043)
Payment of working capital facility	(1,500,000)	-
Net cash from financing activities	(1,500,000)	(199,269)
Net decrease in cash and cash equivalents	(2,056,696)	(374,772)
Cash and cash equivalents at 1 July	4,823,745	400,043
Cash and cash equivalents at 31 December	2,767,049	25,271

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

SECTION 1 BASIS OF PREPARATION

The notes to the interim consolidated financial statements are grouped into the following six sections:

1. Basis of preparation
2. Results for the year
3. Assets and liabilities relating to exploration and evaluation
4. Working capital disclosures
5. Equity and funding
6. Other disclosures

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

1.1 GENERAL INFORMATION

The Company is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at Level 1, 1A, Agnew Way, Subiaco WA 6008.

The Group is an Australian gold development company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production.

The interim condensed consolidated financial statements of the Group 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 were authorised for issue by the Board of Directors on 13 March 2019. The half-year financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.
- have been prepared on a historical cost basis, except for share-based payments which are measured at fair value. The basis of measurement is discussed further in the individual notes;
- are presented in Australian Dollars, being the Company's functional currency.
- adopt all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2018. Refer to note 6.6 for further details; and
- do not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective. Refer to note 6.7 for further details.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2018 and considered together with any public announcements made by the Company during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

1.2 BASIS OF CONSOLIDATION

The interim consolidated financial statements incorporate the interim financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each half year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.3 IMPAIRMENT

Non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than DTA's, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

1.4 ACCOUNTING JUDGEMENTS AND ESTIMATE

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are included as follows:

- **Fair value measurement**

Due to their short-term nature, the carrying amount of the current receivables, current payables and current borrowings are assumed to approximate their fair value. Loans and borrowings are recognised at the fair value of the consideration received, net of transaction costs.

SECTION 2 RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group, with disclosures including segmental information, components of the operating profit.

2.1 OPERATING SEGMENTS

Information about reportable segments

The Group has identified its operating segments 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 currently operates in one operating segment being gold exploration and evaluation. Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker with respect to operating leases, are determined in accordance with *AASB 8 Operating Segments*.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half-year ended 31 December 2018.

2.2 OTHER INCOME

Accounting Policy

Other income is recognised when the amount can be reliably measured and control of the right to receive the income be passed to the Group.

Finance income

Interest is recognised using the effective interest method.

	31 December 2018	31 December 2017
	\$	\$
Interest income from:		
Working capital provided to GBF ¹	117,808	-
Term deposits and cash reserve	23,908	-
	141,716	-

¹ The Company has earned interest on the \$2,500,000 working capital facility with GBF Mining Pty Ltd to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 10% per annum.

2.3 OTHER EXPENSES

	31 December 2018	31 December 2017
	\$	\$
Stamp duty	118,655	-
Other expenses	69,836	7,724
	188,491	7,724

SECTION 3 ASSETS AND LIABILITIES SUPPORTING EXPLORATION AND EVALUATION

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing exploration and evaluation.

3.1 EXPLORATION AND EVALUATION

	31 December 2018 \$	30 June 2018 \$
Exploration assets		
Opening balance on 1 July	6,834,124	-
Acquisition of Comet Vale – fair value	-	6,000,000
Acquisition of Golden Lode – fair value	-	623,213
Acquisition of Happy Jack Tenement ¹	60,000	-
Acquisition of Old Pirate Tenement	30,000	-
Exploration expenditure acquired	-	184,057
Exploration expenditure capitalised	85,917	26,854
Closing balance	7,010,041	6,834,124

¹ Acquisition of Happy Jack tenement - On 16 August 2018, the Group completed the acquisition of Happy Jack tenement (P29/2217) for \$60,000 plus 1% net smelter royalty.

Comet Vale Project

On 15 May 2018, the Company announced that mining had commenced at Comet Vale. On 23 August 2018, the Company announced the first gold production of 202 ounces from the project and on 14 January 2019 the second gold pour was announced after processing a further 5,000 t of ore.

Under the Mine Management Agreement with the Company's strategic partner, GBF Mining Pty Ltd ('GBF'), the Company will not incur a debt or liability to GBF in relation to mining costs incurred on the basis that GBF's right to recover costs and a margin is a limited recourse right to recover or be paid such amounts from proceeds from sale of gold products recovered from mining at Comet Vale. To the extent the proceeds from the sale of gold products are insufficient to cover the total costs of GBF, GBF will not recover or be paid the amount of the insufficiency. As such, as at 31 December 2018 the Company has not recognised any gold inventory from the Comet Vale gold pours completed and will not recognise inventory until it is entitled to receive proceeds – once all of the agreed mining costs and a margin has been recovered by GBF from the sale of gold products.

SECTION 4 WORKING CAPITAL DISCLOSURES

This section focuses on the cash funding available to the Group and working capital position at year end.

4.1 TRADE AND OTHER RECEIVABLES

	31 December 2018 \$	30 June 2018 \$
Other receivables	31,895	172,864
Working capital facility – GBF Mining Pty Ltd ¹	2,500,000	1,000,000
Accrued interest on working capital facility	127,671	9,863
	2,659,566	1,182,727
Current	31,895	172,864
Non-current	2,627,671	1,009,863
	2,659,566	1,182,727

¹ The Company has entered into \$2,500,000 working capital facility with GBF Mining Pty Ltd to partially meet initial working capital costs for mining at Comet Vale. The facility incurs interest at 10% per annum.

The Group uses the general approach to impairment, as applicable under AASB 9: Financial Instruments. Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Based on this assessment, there was no impairment to receivables for the period.

4.2 TRADE AND OTHER PAYABLES

	31 December 2018 \$	30 June 2018 \$
Current		
Trade payables	51,296	88,897
Other payables and accrued expenses	136,707	49,800
	188,003	138,697

SECTION 5 EQUITY AND FUNDING

This section focuses on the share capital, options and debt funding available to the Group at year end.

5.1 CAPITAL AND RESERVES

(a) Share capital

	Ordinary shares			
	Number of shares		Amount in \$	
	6 months to 31 December 2018	Year to 30 June 2018	6 months to 31 December 2018	Year to 30 June 2018
On issue at the beginning of the period	538,554,223	268,894,893	295,645,115	280,506,000
<i>Shares issued and expensed during the period:</i>				
Capital consolidation	-	(266,825,635)	-	-
Issue of shares to Orminex West Pty Ltd vendors	-	200,000,000	-	6,000,000
Issue of shares to Golden Lode Pty Ltd vendors	-	20,000,000	-	600,000
Issue of shares under Public Offer	-	233,333,333	-	7,000,000
Issue of Adviser shares	-	10,445,333	-	313,360
Issue of Facilitator shares	-	20,000,000	-	600,000
Issue of shares to settle convertible notes plus interest	-	40,206,299	-	804,126
Issue of shares under private placement	-	10,000,000	-	200,000
Issue of shares to Sand Queen Gold Mines Pty Ltd	-	2,500,000	-	287,500
Capital raising costs	-	-	-	(665,871)
On issue at end of the period	538,554,223	538,554,223	295,645,115	295,645,115

(b) Options on issue

	6 months to 31 December 2018	Year to 30 June 2018
Exercisable at \$31.20 on or before 21-Dec-18	-	6,156
Exercisable at \$20.80 on or before 20-Dec-18	-	4,616
Exercisable at \$28.60 on or before 20-Dec-18	-	4,616
Exercisable at \$23.40 on or before 21-Dec-18	-	6,156
Exercisable at \$39.00 on or before 20-Dec-18	-	6,154
Exercisable at \$0.03 on or before 15-Apr-21	10,000,000	10,000,000
On issue at the end of the period	10,000,000	10,027,698

SECTION 5 EQUITY AND FUNDING continued

(c) Movements in options on issue

	6 months to 31 December 2018	Year to 30 June 2018
On issue at the beginning of the period	10,027,698	6,800,000
Expiry of options on 21-Dec-17, exercisable at \$0.18	-	(1,600,000)
Expiry of options on 21-Dec-17, exercisable at \$0.24	-	(1,600,000)
Consolidation of capital	-	(3,572,302)
Issue of options expiring on 15-Apr-21, exercisable at \$0.03	-	10,000,000
Expiry of options on 21-Dec-18, exercisable at \$31.20	(6,156)	-
Expiry of options on 20-Dec-18, exercisable at \$20.80	(4,616)	-
Expiry of options on 21-Dec-18, exercisable at \$23.40	(6,156)	-
Expiry of options on 20-Dec-18, exercisable at \$28.60	(4,616)	-
Expiry of options on 20-Dec-18, exercisable at \$39.00	(6,154)	-
On issue at the end of the period	10,000,000	10,027,698

SECTION 6 OTHER DISCLOSURES

The disclosures in this section focus on other mandatory disclosures, such as details of related party transactions.

6.1 RELATED PARTIES

	31 December 2018	31 December 2017
	\$	\$
Short term employee benefits	145,000	-
Post-employment benefits	-	-
	145,000	-

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Other key management personnel transactions

A number of these companies transacted with the Company during the half-year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

- Viridian Capital Pty Ltd, a company of which Mr Daryl Henthorn is a director, provided the Company with bookkeeping administrative and financial analyst services totalling \$47,840 (Dec 2017: \$nil) and director fees of \$85,000 (Dec 2017: \$nil). No balance (2017: \$nil) was outstanding at period end.
- Cardrona Energy Pty Ltd, a company of which Mr Emmanuel Correia is a director, charged the Company for director fees \$30,000 (Dec 2017: \$nil). No balance (2017: \$nil) was outstanding at period end.
- C4 Capital Pty Ltd, a company of which Mr John Correia is a director, charged the Company for director fees \$30,000 (Dec 2017: \$nil). No balance (2017: \$nil) was outstanding at period end.

6.2 SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31 December 2018	30 June 2018
			%	%
Orminex West Pty Ltd	Exploration	Australia	100	100
Golden Lode Pty Ltd	Exploration	Australia	100	100
Orminex Happy Jack Pty Ltd	Exploration	Australia	100	-
Old Pirate Pty Ltd	Exploration	Australia	100	100

SECTION 6 OTHER DISCLOSURES continued

6.3 SUBSEQUENT EVENTS

On 4 March 2019, the Company announced the acquisition 100% of the Penny's Find gold mine, located 50km northeast of Kalgoorlie in Western Australia. The Company has signed a binding term sheet with Empire Resources Ltd to acquire Penny's Find for staged cash payments totalling A\$600,000 and a 5% net smelter royalty, subject to detailed documents being executed over the coming weeks and all necessary approvals being obtained.

There were no other significant events subsequent to the half-year to the date of this report.

6.4 COMMITMENTS

There were no significant changes in commitments held by the Group since the last annual reporting date.

6.5 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2018 (30 June 2018: nil).

6.6 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except for the changes below, the Group has consistently applied the accounting policies set out in the notes to the consolidated financial statements to all periods presented in these consolidated financial statements.

The Group has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Group had to change its accounting policies as a result of adopting AASB 15 Revenue from Contract with Customer and AASB 9 Financial Instruments. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

a) AASB 9 Financial Instruments

AASB 9 and the related amendments to other accounting standards introduced three significant areas of change from AASB 139 Financial Instruments: Classification and Measurement as follow:

- classification and measurement of financial assets and financial liabilities
- a new expected loss impairment model for determining impairment allowances and
- a redesigned approach to hedge accounting.

Items previously classified as loan and receivables under AASB 139 are now classified as financial assets at amortised costs however this has no impact to the Group's financial statement presentation. The adoption of AASB 9 from 1 July 2018 had an immaterial impact on the Group's financial statement. The accounting policies has been updated to align with AASB 9 and consequential adjustments to other standards.

6.6 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

New accounting policies

Classification of financial instruments

The financial assets and liabilities of the Group are classified into the following financial statement captions in the statement of financial position in accordance with AASB 9 Financial Instruments:

- Financial assets measure at amortised cost – separately disclosed as cash and cash equivalents and trade and other receivables
- Financial liabilities measured at amortised costs – separately disclosed as borrowings and trade and other payables

Judgement is required when determining the appropriate classification of the Group's financial instruments. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held.

Details on the accounting policies for measurement of the above instruments.

Recognition and de-recognition of financial assets and liabilities

The Group recognises a financial asset or liability when it becomes a party to the contract. Financial assets are no longer recognised in the statement of financial position when contractual cash flows expire or when the financial asset and substantially all the risks and rewards are transferred. Financial liabilities are derecognised when the instrument is extinguished, discharged, cancelled or expires.

b) AASB 15 Revenue from Contracts with Customers

The Group adopted AASB 15 as of 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. There is no significant impact in the financial statements on the adoption of AASB 15. The accounting policies has been updated as detailed below:

New accounting policies

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

ORMINEX LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.7 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 31 December 2018.

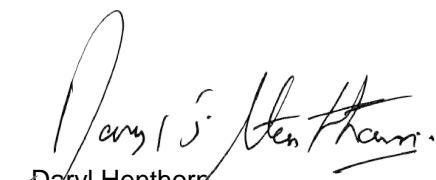
Reference	Title	Summary	Application date of standard	Application date for the Group
			Periods beginning on or after	
AASB 16	Leases	<p>The new Standard introduces three main changes:</p> <ul style="list-style-type: none"> - Enhanced guidance on identifying whether a contract contains a lease; - A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; - Enhanced disclosures. <p>Lessor accounting will not significantly change.</p> <p><u>Impact:</u> The Company has assessed the impact of the new leasing standard and concluded there is no material impact.</p>	1 January 2019	1 July 2019
AASB Interpretation 23	Uncertainty over Income Tax Treatments	<p>The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:</p> <ul style="list-style-type: none"> • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities • How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • How an entity considers changes in facts and circumstances. 	1 January 2019	1 July 2019
AASB 2018-1	Annual Improvements to IFRS Standards 2015-2017 Cycle	<p>The amendments clarify certain requirements in:</p> <ul style="list-style-type: none"> • AASB 3 Business Combinations and AASB 11 Joint Arrangements - previously held interest in a joint operation 1 January 2019 1 July 2019 • AASB 112 Income Taxes - income tax consequences of payments on financial instruments classified as equity • AASB 123 Borrowing Costs - borrowing costs eligible for capitalisation. 	1 January 2019	1 July 2019

DIRECTORS' DECLARATION

The Directors of the Group declare that:

- 1 The financial statements and notes are in accordance with the Corporations Act 2001, and:
 - (a) comply with Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory reporting requirements; and
 - (b) 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 Group;
- 2 The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the Group for the half-year have been properly maintained in accordance with section 266 of the Corporations Act 2001;
 - (b) the financial statements and note for the half-year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the half-year give a true and fair view.
- 3 In the Directors' opinion there are reasonable grounds to believe that the Group 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.



Daryl Henthorn
Executive Chairman
Orminex Limited

13 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ORMINEX LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Orminex Limited (**the Company**) and its subsidiaries (**the Group**), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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 company 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 2018 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and 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 (including Australian Accounting Interpretations) 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 Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports 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:

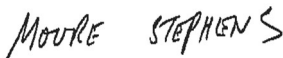
- a. giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 Company, would be in the same terms if provided to the directors as at the time of this auditor's review report.



MOORE STEPHENS
Chartered Accountants



SL TAN
Partner

Dated this 13th March 2019 in Perth, Western Australia