



Siburan
Resources
Limited

ABN 58 137 176 393

INTERIM FINANCIAL REPORT
31 December 2018

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Siburan Resources Limited (the **Company** or **Siburan**) and its subsidiary (the **Group** or **Consolidated Entity**) for the half-year ended 31 December 2018 and the Auditor's Review Report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Neil Sheather

Executive Director/Company Secretary - appointed 28 July 2016

Mr Mao Feng Ding

Non-Executive Director - appointed 8 September 2015

Mr Dale Klynhout

Non-Executive Director - appointed 11 December 2017

Mr Chiong Ong Tiong

Non-Executive Director - appointed 7 November 2011

OPERATING AND FINANCIAL REVIEW

Operating review

The Company did not undertake any exploration activities during the interim period. The Board has undertaken assessments of several direct and indirect resource project opportunities with the aim of the Company returning to active engagement in its core resource activities. The Board are also in discussions focused on improving the Company's capital position to assist with its stated aim above.

Financial review

The Group incurred a loss of \$137,088 after income tax for the half-year (half-year 2017: loss of \$19,640).

EVENTS SUBSEQUENT TO REPORTING DATE

On 22 February 2019, the Company's securities were suspended from quotation on ASX. The securities will remain suspended until the Company is able to demonstrate compliance with Chapter 12 of the ASX Listing Rules.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, PKF Perth, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim 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 2018.

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



Neil Sheather
Director

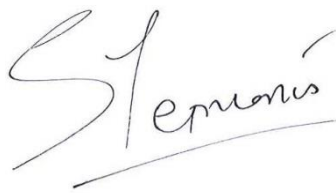
Dated at Perth, Western Australia this 19th day of March 2019.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SIBURAN RESOURCES LIMITED**

In relation to our review of the financial report of Siburan Resources Limited for the half year ended 31 December 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

19 MARCH 2019
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2018

	Note	Half-year 31 Dec 2018 \$	Half-year 31 Dec 2017 \$
Revenue and other income			
Security investment income		-	186,029
Total revenue and other income		<u>-</u>	<u>186,029</u>
Employee benefit expenses		(24,591)	(30,813)
Depreciation and amortisation expenses		-	(3,799)
Occupancy expenses		-	(4,500)
Exploration and evaluation assets written off		-	(3,174)
Impairment loss on exploration and evaluation assets		-	(41,342)
Foreign exchange gain/(loss)		(11,745)	7,027
Fair value loss on financial assets at fair value through profit or loss	5	(39,772)	(45,178)
Other expenses		(57,825)	(70,596)
Results from operating activities		<u>(133,933)</u>	<u>(6,346)</u>
Finance income		-	-
Finance costs		(3,155)	(13,294)
Net finance cost		<u>(3,155)</u>	<u>(13,294)</u>
Loss before income tax		<u>(137,088)</u>	<u>(19,640)</u>
Income tax		-	-
Net loss for the period		<u>(137,088)</u>	<u>(19,640)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the period attributable to the owners of Siburan Resources Limited		<u>(137,088)</u>	<u>(19,640)</u>
Basic and diluted earnings/(loss) per share (cents)		<u>(0.02)</u>	<u>(0.003)</u>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Note	31 Dec 2018 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		21,397	99,170
Financial assets at fair value through profit or loss	5	195,424	230,680
Other current assets		-	3,987
Total Current Assets		<u>216,821</u>	<u>333,837</u>
TOTAL ASSETS		<u>216,821</u>	<u>333,837</u>
CURRENT LIABILITIES			
Trade and other payables		93,436	93,057
Loans and borrowings	6	37,052	17,359
Total Current Liabilities		<u>130,488</u>	<u>110,416</u>
NON-CURRENT LIABILITIES			
Loans and borrowings		1,378	1,378
Total Non-Current Liabilities		<u>1,378</u>	<u>1,378</u>
TOTAL LIABILITIES		<u>131,866</u>	<u>111,794</u>
NET ASSETS		<u>84,955</u>	<u>222,043</u>
EQUITY			
Contributed equity		24,537,968	24,537,968
Accumulated losses		(24,453,013)	(24,315,925)
TOTAL EQUITY		<u>84,955</u>	<u>222,043</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2018

	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017	24,537,968	(24,103,151)	434,817
Net profit for the period	-	(19,640)	(19,640)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(19,640)	(19,640)
<i>Transactions with equity holders in their capacity as equity holders:</i>			
Issue of shares	-	-	-
Balance at 31 December 2017	24,537,968	(24,122,791)	415,177
Balance at 1 July 2018	24,537,968	(24,315,925)	222,043
Net profit for the period	-	(137,088)	(137,088)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(137,088)	(137,088)
<i>Transactions with equity holders in their capacity as equity holders:</i>			
Issue of shares	-	-	-
Balance at 31 December 2018	24,537,968	(24,453,013)	84,955

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2018

	31 December 2018 \$	Half-year 31 December 2017 \$
Cash flows from operating activities		
Cash payments in the course of operations	(77,942)	(88,602)
Payments for exploration and evaluation assets - capitalised costs	-	(15,604)
Interest paid	-	(13,295)
<i>Net cash (outflow) from operating activities</i>	<u>(77,942)</u>	<u>(117,501)</u>
Cash flows from investing activities		
Payments for purchase of security investments	-	(513,219)
Proceeds from sales of security investments	-	701,706
<i>Net cash inflow from investing activities</i>	<u>-</u>	<u>188,487</u>
Cash flows from financing activities		
Proceeds from borrowings	-	512,965
Repayment of borrowings	-	(771,101)
<i>Net cash (outflow) from financing activities</i>	<u>-</u>	<u>(258,136)</u>
Net (decrease) in cash and cash equivalents	(77,942)	(187,150)
Cash and cash equivalents at the beginning of the half-year	99,170	706,225
Foreign currency translation differences	169	(4,189)
Cash and cash equivalents at the end of the half-year	<u>21,397</u>	<u>514,886</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2018

1. BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT

Siburan Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiary (collectively the “Group” and individually “Group companies”). They were authorised for issue by the Board of Directors on 15 March 2019.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

The annual financial report of the Group as at and for the year ended 30 June 2018 is available upon request from the Company’s registered office or may be viewed on the Company’s website, www.siburan.com.au.

This interim financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with accounting standard *AASB 134 Interim Financial Reporting* and the *Corporation Act 2001* as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

This interim 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 interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and considered together with any public announcements made by Siburan Resources Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new or amended standards that became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Going concern

The financial report has been prepared on a going concern basis which assumes realising its assets and extinguishing its liabilities in the normal course of business.

At 31 December 2018, the Group had a net loss after tax of \$137,088 and net operating cash outflows of \$77,942 for the half-year then ended. The Directors consider there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The Group has taken cost cutting measures during the period which have resulted in significant reduction of overheads.
- The Directors are confident that the Group will be able to raise further capital as required.

The Directors believe that the above indicators demonstrate that the Group will be able to pay their debts as and when they fall due and to continue as a going concern. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of this interim financial report.

In the event that the Group does not achieve the above actions, there exists significant uncertainty as to whether the Group will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business.

New, revised or amending Accounting Standards and Interpretations adopted

The following standards and amendments became applicable during the current reporting period:

- AASB 9 Financial Instruments; and
- AASB 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2018

1. BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT (continued)

AASB 9: Financial Instruments

Classification of financial assets

AASB 9 requires the use of two criteria to determine the classification of financial assets: the entity's business model for the financial assets and the contractual cash flow characteristics of the financial assets. The Standard goes on to identify three categories of financial assets - amortised cost; fair value through profit or loss (FVTPL); and fair value through other comprehensive income (FVOCI).

There have been no changes to the categorisation of financial assets following the adoption of AASB 9 and all of the Group's financial assets remain classified at fair value through profit or loss.

Impairment

AASB 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Group's financial assets. No changes to the impairment provisions were made on transition to AASB 9. Trade and other receivables are generally settled on a short time frame and the Group's other financial assets are due from counterparties without material credit risk concerns at the time of transition.

The Group adopted AASB 9 from 1 July 2018. In accordance with the transition provisions in the Standard, comparatives have not been restated.

AASB 15: Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The implementation of AASB 15 has not had a material impact on the Group's financial statements as it is currently a pre-revenue business.

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2018

2. CRITICAL ACCOUNTING ESTIMATES

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

In preparing these half-yearly financial statements, 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 financial report as at and for the year ended 30 June 2018.

3. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2018.

4. SEGMENT INFORMATION

The Group operates predominantly in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration for minerals. All of the Group's activities are inter-related and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are all held for trading and include the following:

	31 Dec 2018 \$	30 Jun 2018 \$
Current		
Listed ordinary shares	<u>195,424</u>	<u>230,680</u>
<i>Reconciliation of the fair values at the beginning and end of the half-year are set out below:</i>		
Opening fair value as at 1 July 2018		230,680
Foreign exchange gain		4,516
Fair value losses		<u>(39,772)</u>
Closing fair value as at 31 December 2018		<u>195,424</u>

Changes in fair values of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income. Total fair value loss recognised for the half-year was \$39,772 (2017: loss of \$45,178).

	31 Dec 2018 \$	30 Jun 2018 \$
6. LOANS AND BORROWINGS		
Current		
Short-term margin loans	<u>37,052</u>	<u>17,359</u>
Movements for the period		\$
Carrying amount at 1 July 2018		17,359
Interest expenses and fee charges for the period		3,262
Foreign exchange loss		<u>16,431</u>
Carrying amount at 31 December 2018		<u>37,052</u>

Margin loans were obtained to fund the purchase of listed international securities. Interest is charged daily on the draw down balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2018

7. FAIR VALUE MEASUREMENT

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using the above measurement hierarchy:

31 December 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Ordinary shares at fair value through profit or loss	195,424	-	-	195,424
30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Ordinary shares at fair value through profit or loss	230,680	-	-	230,680

The Group also has a number of financial instruments which are not measured at fair value, which includes trade and other receivables, trade and other payables and short-term borrowings. The carrying amounts of these financial instruments are assumed to approximate their fair values since the interest payable is either close to market rates or the instruments are short-term in nature.

8. COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies remain consistent with those disclosed in the 2018 annual report.

9. EVENTS SUBSEQUENT TO REPORTING DATE

On 22 February 2019, the Company's securities were suspended from quotation on ASX. The securities will remain suspended until the Company is able to demonstrate compliance with Chapter 12 of the ASX Listing Rules.

DIRECTORS' DECLARATION

In the opinion of the directors of Siburan Resources Limited:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors.



Neil Sheather
Director

Dated at Perth, Western Australia this 19th day of March 2019.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SIBURAN RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Siburan Resources Limited (the Company) and controlled entities (consolidated entity) 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 and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2018, or during the half year.

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 Siburan Resources Limited 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 half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$137,088 (2017: \$19,640) and an operating cash outflow of \$77,942 (2017: \$117,501) during the half year ended 31 December 2018. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

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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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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.

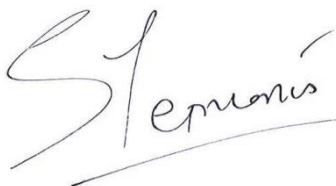
Auditor's Responsibility

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 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 Corporation Regulations 2001. As the auditor of Siburan Resources Limited and the entities it controlled during the half year, 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.



PKF PERTH

SIMON FERMANIS
PARTNER19 MARCH 2019
WEST PERTH,
WESTERN AUSTRALIA