



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2019

CORPORATE DIRECTORY

Directors	Mr Evan Cranston Ms Oonagh Malone Mr Mathew O'Hara	(Non-Executive Chairman) (Non-Executive Director) (Non-Executive Director)
Company Secretary	Ms Oonagh Malone	
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Share Registry	Automic Registry Services Level 5 126 Phillip Street Sydney NSW 2000 Telephone: Email:	1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia) hello@automic.com.au
Auditor	Stantons International Audit & Consulting Pty Ltd Level 2, 1 Walker Avenue West Perth WA 6005	
Legal Advisor	Bellanhouse Level 19, Alluvion 58 Mounts Bay Road Perth WA 6000 Telephone:	(08) 6355 6888
ASX Code	CRB	

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DIRECTORS' REPORT

The Directors present their report for Carbine Resources Limited ("the Company") for the half-year ended 30 June 2019.

DIRECTORS

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

Mr Evan Cranston	Non-Executive Chairman
Ms Oonagh Malone	Non-Executive Director and Company Secretary
Mr Mathew O'Hara	Non-Executive Director

REVIEW OF OPERATIONS

The loss for the half-year after income tax was \$515,675 (30 June 2018: \$616,320 loss).

During the half year ended 30 June 2019, the Company:

- Continued to evaluate and assess a number of exploration of mineral development opportunities within suitable operating jurisdictions.
- Identified an opportunity, engaged in due diligence, and negotiated with counter-parties while completing submissions to the ASX in respect of a transaction.

SUBSEQUENT EVENTS

Subsequent to the reporting period:

- On 30 August 2019, the Company received a \$168,617 R&D tax refund for the year ended 31 December 2018.

There were no other events subsequent to the end of the half year ended 30 June 2019 that would have a material effect on these financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this half-year financial report.

Dated at Perth this 5th day of September 2019.

Signed in accordance with a resolution of the Directors.



Evan Cranston
Chairman

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 30 JUNE 2019**

	Notes	COMPANY 30 June 2019 \$	GROUP 30 June 2018 \$
Revenue from continuing operations		20,555	32,714
Other Income		-	-
Exploration and evaluation costs	2	(15,036)	(420,751)
Loss on disposal of property, plant and equipment	4	-	(2,853)
Depreciation	4	(3,945)	(1,233)
Employee, director and consultant expenses		(135,674)	(296,384)
General and administration expenses		(231,575)	(169,713)
(Loss)/ gain on revaluation of financial assets	5	(150,000)	241,900
Loss before income tax expense		(515,675)	(616,320)
Income Tax Expense			
Loss after income tax from continuing operations attributable to members of Carbine Resources Limited		(515,675)	(616,320)
Loss for the half year		(515,675)	(616,320)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>		-	-
Total other comprehensive (loss) / income		-	-
Total comprehensive loss attributable to members of Carbine Resources Limited		(515,675)	(616,320)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.26)	(0.31)
Diluted loss per share		(0.26)	(0.31)
Loss per share from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.26)	(0.31)
Diluted loss per share		(0.26)	(0.31)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	COMPANY 30 June 2019 \$	COMPANY 31 December 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		2,518,005	2,869,538
Trade and other receivables	3	5,782	13,932
Current financial assets	5	440,000	590,000
Other current assets		11,287	16,254
TOTAL CURRENT ASSETS		2,975,074	3,489,724
NON-CURRENT ASSETS			
Financial assets	5	50,000	50,000
Plant and equipment	4	26,270	215
Exploration and evaluation expenditure	2	-	-
TOTAL NON-CURRENT ASSETS		76,270	50,215
TOTAL ASSETS		3,051,344	3,539,939
CURRENT LIABILITIES			
Trade and other payables		67,806	40,726
Provisions		-	-
TOTAL CURRENT LIABILITIES		67,806	40,726
TOTAL LIABILITIES		67,806	40,726
NET ASSETS		2,983,538	3,499,213
EQUITY			
Issued Capital	6	31,121,482	31,121,482
Reserves		2,948,558	2,948,558
Accumulated losses		(31,086,502)	(30,570,827)
TOTAL EQUITY		2,983,538	3,499,213

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 30 JUNE 2019**

COMPANY

	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total Equity \$
Balance at 1 January 2019	31,121,482	(30,570,827)	2,948,558	3,499,213
Loss for the half year from continuing operations	-	(515,675)	-	(515,675)
Total comprehensive income / (loss) for the half year	-	(515,675)	-	(515,675)
Transactions with owners in their capacity as owners:				
Securities issued	-	-	-	-
Share based payments	-	-	-	-
Balance at 30 June 2019	31,121,482	(31,086,502)	2,948,558	2,983,538

CONSOLIDATED

	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total Equity \$
Balance at 1 January 2018	31,121,482	(30,050,325)	2,948,558	4,019,715
Loss for the half year from continuing operations	-	(616,320)	-	(616,320)
Total comprehensive income / (loss) for the half year	-	(616,320)	-	(616,320)
Transactions with owners in their capacity as owners:				
Securities issued	-	-	-	-
Share based payments	-	-	-	-
Balance at 30 June 2018	31,121,482	(30,666,645)	2,948,558	3,403,395

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED 30 JUNE 2019**

	COMPANY	GROUP
	30 June 2019	30 June 2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(327,948)	(446,383)
Exploration expenditure, prospects, management fees	(14,382)	(621,904)
Interest received	20,797	34,744
Net cash (outflow) from operating activities	(321,533)	(1,033,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(30,000)	-
Net cash (outflow) from investing activities	(30,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of capital raising costs	-	-
Net cash inflow from financing activities	-	-
Net (decrease) in cash and cash equivalents held	(351,533)	(1,033,543)
Cash and cash equivalents at the beginning of the period	2,869,538	3,875,014
Cash and cash equivalents at the end of the period	2,518,005	2,841,471

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

These general purpose interim financial statements of Carbine Resources Limited (the Company) for the half-year reporting period ended 30 June 2019 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Comparative balances for 30 June 2018 are presented for the consolidated entity (the Group) that included the subsidiary that was controlled during 2018.

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors on 5th September 2019. Carbine Resources Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The interim financial statements do not include all notes of the type normally included within the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by Carbine Resources Limited during the interim financial reporting period in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed below.

New and Future Applicable Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2019 affected any of the amounts recognised in the current period or any prior period.

The Company has adopted *AASB 16 Leases*, which is applicable to annual reporting periods beginning on or after 1 January 2019. The adoption of this standard from 1 January 2019 has not led to the recognition of any right-of-use asset, or associated lease liability, as the serviced office agreement does not specify or require fixed office locations, with staff offices moved at the discretion of the lessor. The Company has no other agreements within the scope of this standard. Future effects of the implementation of this standard will depend on wording and intent of relevant agreements.

The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

2. EXPLORATION AND EVALUATION EXPENDITURE

	COMPANY 30 June 2019	GROUP 30 June 2018
	\$	\$
Exploration and evaluation expenditure during the half year	15,036	420,751
Exploration and evaluation costs expensed	(15,036)	(420,751)
Total exploration and evaluation	-	-

Although exploration and evaluation expenditure has been fully expensed, the Company still owns all data obtained as a result of work completed by the Company on the Mount Morgan Project.

3. TRADE AND OTHER RECEIVABLES

	COMPANY 30 June 2019	COMPANY 31 December 2018
	\$	\$
Current		
Net GST refundable	5,501	7,745
Other receivable	281	6,187
	5,782	13,932

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is GST refundable from the Australia Taxation Office. No receivable, or other asset, is recognised at 30 June 2019 for the expected R&D tax rebate for the year ended 31 December 2018, even though an R&D tax rebate is expected, because such a tax rebate does not meet the recognition criteria for an asset at this stage.

4. PLANT AND EQUIPMENT

	COMPANY 30 June 2019	COMPANY 31 December 2018
	\$	\$
Opening net book value	215	4,373
Additions	30,000	-
Depreciation charge for the period	(3,945)	(1,305)
Disposals	-	(2,853)
Closing net book value	26,270	215
Cost	30,426	427
Accumulated depreciation and impairment	(4,156)	(212)
Net book value	26,270	215

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

5. FINANCIAL ASSETS

	COMPANY 30 June 2019	COMPANY 31 December 2018
	\$	\$
Current financial assets		
Value of 10,000,000 ordinary shares in Boss Resources Limited at start of the period	590,000	-
Value of 10,000,000 unquoted share options in Boss Resources Limited at start of the period	-	288,600
Increase/(decrease) in value of 10,000,000 unquoted share options in Boss Resources Limited, before conversion	-	261,400
Conversion of share options to shares in Boss Resources Limited	-	200,000
Decrease in value of 10,000,000 shares in Boss Resources Limited	(150,000)	(160,000)
	440,000	590,000
Non-current financial assets		
Term deposit held as a security bond	50,000	50,000
Total non-current financial assets at fair value	50,000	50,000

On 1 September 2015 Boss Resources Limited ("Boss") issued to the Company 10 million unquoted share options exercisable at \$0.02 each by 31 August 2018. These options were valued based on observable inputs, where all these observable inputs were based on market data, and were therefore classified as Tier 2 financial assets. The Black-Scholes valuation model was used which reflected assumptions that buyers or sellers of unquoted share options in Boss would generally use.

These options were exercised with shares issued on 27 August 2018 for a total exercise price of \$200,000, when Boss's share price was \$0.075, giving the 10,000,000 Boss shares a total value of \$750,000 on 27 August 2018. At 30 June 2019 these Boss shares were worth \$0.044 each for a total value of \$440,000 (31 December 2018: \$0.059 each for a total value of \$590,000). The net decrease in value of these shares of \$150,000 has been recognised by the Company in profit or loss (2018: combined gain in value of options and shares of \$101,400).

The shares are Tier 1 financial assets because Boss shares are quoted on the ASX. All term deposits have been valued based on quoted (unadjusted) market values and are therefore Tier 1 measured financial assets.

There have been no transfers between measurement levels during the period and there are currently no other assets in any other categories.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

6. ISSUED CAPITAL

	COMPANY 30 June 2019		COMPANY 31 December 2018	
	No. of Shares	\$	No. of Shares	\$
(a) Ordinary shares fully paid				
Balance at beginning of year	199,746,729	31,121,482	199,746,729	31,121,482
Shares issued	-	-	-	-
Costs of capital raising	-	-	-	-
Balance at end of year	199,746,729	31,121,482	199,746,729	31,121,482

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share.

	30 June 2019	31 December 2018
	No. of Options	No. of Options
(b) Unlisted Options		
Balance at beginning of period	-	7,000,000
Options expired	-	(7,000,000)
Balance at end of period	-	-

	30 June 2019	31 December 2018
	No. of Performance Rights	No. of Performance Rights
(c) Performance Rights		
Balance at beginning of period	-	6,500,000
Performance rights lapsed or expired	-	(6,500,000)
Balance at end of period	-	-

7. SEGMENT INFORMATION

The Board of Directors, which is the chief operating decision maker, has determined the operating segment based on geographical location. The Company has one reportable segment; mineral exploration and evaluation in Australia.

The Australian segment incorporates the Company's mineral exploration and evaluation in Australia along with head office and treasury functions. Consequently, financial information for the sole operating segment is identical to the information presented in these financial reports.

8. COMMITMENTS AND CONTINGENT LIABILITIES

A total expense of \$36,000 (2018: \$72,000) was recognised during the period under the serviced office agreement. The serviced office agreement does not lead to the recognition of any right-of-use asset or associated lease liability because the serviced office agreement does not specify or effectively require an identified asset.

	COMPANY	COMPANY
	30 June 2019	31 December 2018
Serviced office commitment		
Due within 1 year	36,000	72,000
Due greater than 1 year and less than 5	-	-
Total	36,000	72,000

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

9. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting period:

- On 30 August 2019, the Company received a \$168,617 R&D tax refund for the year ended 31 December 2018.

There were no other events subsequent to the end of the half year ended 30 June 2019 that would have a material effect on these financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbine Resources Limited 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 directors.



Evan Cranston
Chairman

Dated at Perth this 5th day of September 2019

5 September 2019

The Directors
Carbine Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008

Dear Sirs

RE: CARBINE RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Carbine Resources Limited.

As Audit Director for the review of the financial statements of Carbine Resources Limited for the half year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carbine Resources Limited, which comprises the statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Carbine Resources Limited. The consolidated entity comprises both Carbine Resources Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Carbine Resources Limited 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 the 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 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 Company's financial position as at 30 June 2019 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 Carbine Resources Limited, 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of Carbine Resources Limited on 5 September 2019.

Conclusion

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
5 September 2019