

# **KAISER REEF LIMITED**

**ACN 635 910 271**

## **Financial Report for the Period from Incorporation 2 September 2019 to 31 October 2019**

**KAISER REEF LIMITED  
DIRECTORS REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

The Directors present their report, together with the financial statements, of Kaiser Reef Limited ("the Company" or "Kaiser Reef") since incorporation 2 September 2019 to 31 October 2019.

**Directors**

The following persons were directors of the Company during the whole of the financial period and up to the date of this report, unless otherwise stated:

- Jonathan Downes – Director (appointed 2 September 2019)
- Adrian Byass – Director (appointed 2 September 2019)
- David Palumbo – Director (appointed 15 September 2019) and Company Secretary (appointed 2 September 2019)
- Elizabeth Laursen – Director (appointed 2 September 2019 and resigned 15 September 2019)

**Principal activities and review of operations**

During the period the Company identified Chase Metals Pty Ltd as a target acquisition.

Chase Metals Pty Ltd is a dormant entity with fully paid up issued capital of \$100, and is the beneficiary of the tenement and tenement application in New South Wales which are the target of the acquisition planned. Chase has beneficial rights of tenement number EL8491 in New South Wales. It also has an application for EL5854 also in NSW.

**Operating results**

The net loss after income tax for the period was \$(19,145).

**Dividends**

No dividends were paid during the Period and no dividend has been declared for the period ended 31 October 2019.

**Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the Company during the financial period.

**KAISER REEF LIMITED  
DIRECTORS REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

**Matters subsequent to the end of the financial Period**

Subsequent to period end, Kaiser Reef Limited (Kaiser) has entered into the Acquisition Agreement with Chase Metals Pty Ltd (Chase) pursuant to which Kaiser has agreed, subject to satisfaction of certain conditions precedent, to acquire all of the Chase Shares from the Chase Shareholders (the Acquisition).

On 12 November 2019, the Company issued 150,000 shares at \$0.10 per share to raise \$15,000.

Kaiser lodged a prospectus with ASIC on 5 December 2019 for the purpose of completing the Acquisition and being admitted to the Official List of the ASX.

No other matter or circumstance has arisen since 31 October 2019 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

**Future Developments**

Brief discussion included in the 'review of operations'. More detailed information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

**Environmental Regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Indemnity and insurance of officers**

The Company has entered into deeds of indemnity with each director and the company secretary whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors and the company secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**KAISER REEF LIMITED  
DIRECTORS REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

The lead auditor's independence declaration is set out on the next page and forms part of the Directors' Report for the period ended 31 October 2019.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Adrian Byass  
Director

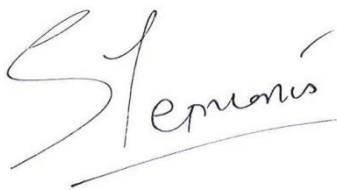
5 December 2019

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF KAISER REEF LIMITED

In relation to our review of the financial report of Kaiser Reef Limited for the period ended 31 October 2019, 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

5 DECEMBER 2019  
WEST PERTH,  
WESTERN AUSTRALIA

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**KAISER REEF LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

|                                                       | 2 September 2019 to<br>31 October 2019<br>\$ |
|-------------------------------------------------------|----------------------------------------------|
| Revenue                                               | -                                            |
| Finance & Administration expenditure                  | -                                            |
| Employment expenditure                                | -                                            |
| Exploration and evaluation expenditure                | (19,145)                                     |
| <b>LOSS BEFORE INCOME TAX EXPENSE</b>                 | <b>(19,145)</b>                              |
| Income tax expense                                    |                                              |
| <b>LOSS FROM CONTINUING OPERATIONS FOR THE PERIOD</b> | <b>(19,145)</b>                              |
| Other comprehensive income, net of tax                | -                                            |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>        | <b>(19,145)</b>                              |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**KAISER REEF LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2019**

|                                     |              | <b>2019</b>    |
|-------------------------------------|--------------|----------------|
|                                     | <b>Notes</b> | <b>\$</b>      |
| <b>CURRENT ASSETS</b>               |              |                |
| Cash and cash equivalents           |              | 395,855        |
| Trade and other receivables         |              | -              |
| <b>TOTAL CURRENT ASSETS</b>         |              | <b>395,855</b> |
| <b>NON-CURRENT ASSETS</b>           |              |                |
| Property, plant & equipment         |              | -              |
| Other non-current assets            |              | -              |
| <b>TOTAL NON-CURRENT ASSETS</b>     |              | <b>-</b>       |
| <b>TOTAL ASSETS</b>                 |              | <b>395,855</b> |
| <b>CURRENT LIABILITIES</b>          |              |                |
| Trade and other payables            |              | -              |
| Provision for employee entitlements |              | -              |
| Other current liabilities           |              | -              |
| <b>TOTAL CURRENT LIABILITIES</b>    |              | <b>-</b>       |
| <b>TOTAL LIABILITIES</b>            |              | <b>-</b>       |
| <b>NET ASSETS</b>                   |              | <b>395,855</b> |
| <b>EQUITY</b>                       |              |                |
| Issued capital                      | 2            | 415,000        |
| Accumulated losses                  |              | (19,145)       |
| <b>TOTAL EQUITY</b>                 |              | <b>395,855</b> |

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

**KAISER REEF LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

|                                                             | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$     |
|-------------------------------------------------------------|-------------------------|-----------------------------|-----------------|
| <b>Incorporated on the 2 September 2019</b>                 | <b>1</b>                | <b>-</b>                    | <b>1</b>        |
| Profit/(Loss) for the Period                                | -                       | (19,145)                    | (19,145)        |
| Other comprehensive loss                                    | -                       | -                           | -               |
| <b>Total Comprehensive Loss for the Period</b>              | <b>-</b>                | <b>(19,145)</b>             | <b>(19,144)</b> |
| <b>Transactions with owners in their capacity as owners</b> |                         |                             |                 |
| Shares Issued during the period                             | 414,999                 | -                           | 414,999         |
| Share based payments                                        | -                       | -                           | -               |
| Share Issue expense                                         | -                       | -                           | -               |
| <b>BALANCE AT 31 October 2019</b>                           | <b>415,000</b>          | <b>(19,145)</b>             | <b>395,855</b>  |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**KAISER REEF LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

|                                                                  | <b>2019</b>     |
|------------------------------------------------------------------|-----------------|
|                                                                  | <b>\$</b>       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                 |
| Payments to suppliers and employees                              | -               |
| Payments for exploration and evaluation                          | (19,145)        |
| Interest received                                                | -               |
| <b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>               | <b>(19,145)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                 |
| (Payment) / Refund of security deposit                           | -               |
| (Payment) / Sale of property plant & equipment                   | -               |
| Proceeds from advances                                           | -               |
| <b>NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>           | <b>-</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                 |
| Net proceeds from issue of shares                                | 415,000         |
| Capital raising costs for issue of shares                        | -               |
| <b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>           | <b>415,000</b>  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b> |                 |
| Cash and cash equivalents at beginning of financial period       | -               |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>      | <b>395,855</b>  |

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

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

**1. CORPORATE INFORMATION & STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Information**

The financial report of Kaiser Reef Limited for the period ended 31 October 2019 was authorised for issue in accordance with a resolution of the Directors on 5 December 2019.

The nature of the operations and principal activities of the Company are the proposed acquisition of Chase Metals Pty Ltd.

**Basis of Preparation**

These financial statements are general purpose financial statements for the interim report ending 31 October 2019 prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 as appropriate for profit entities.

The following are the accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

*New and amended standards adopted by the Company*

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

**a) Going concern**

The Financial Information has been prepared on a going concern basis which assumes the continuity of the Company's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors believe that the ability of the Company to complete the acquisition of Chase Metals Pty Ltd, to undertake its planned exploration program and meet its working capital requirements so as to settle its liabilities as and when they fall due is dependent upon the completion of the capital raising under the Prospectus. The Directors expect that the proposed capital raising will be sufficient to allow for the planned exploration program to be undertaken and to provide the necessary working capital for a period in excess of 12 months from the date of signing this report.

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

b) Reporting basis and conventions

The financial information has been prepared on an accruals basis and is based on historical costs.

c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in the bank's short term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

d) Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area or, alternatively, by its sale.

Exploration and evaluation in the area of interest that have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are expensed as incurred.

The carrying value of capitalised exploration expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

e) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Company becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

f) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

g) Share based payments

Equity-settled share-based compensation benefits are provided to directors, employees and shareholders. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each statement of financial position date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

j) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

– Impairment

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

**2. ISSUED CAPITAL**

|                                      | <b>2019</b> |
|--------------------------------------|-------------|
|                                      | <b>\$</b>   |
| 4,800,001 fully paid ordinary shares | 415,000     |

**3. RESERVES**

|                 |   |
|-----------------|---|
| Options Reserve | - |
|-----------------|---|

On 15 September 2019, the Company issued 4,250,000 options exercisable at \$0.30 on or before 31 January 2023 (Tranche 1 options) and 4,500,000 options exercisable at \$0.40 on or before 31 January 2024 (Tranche 2 options). The fair value of the option issues have been determined with the use of a Black-Scholes option valuation model. The key inputs/assumptions to the models used are as follows:

Tranche 1 options:

|                        |             |
|------------------------|-------------|
| Number of options      | 4,250,000   |
| Expiry date            | 31 Jan 2023 |
| Volatility             | 100%        |
| Risk free rate         | 1.5%        |
| Exercise price         | \$0.30      |
| Grant date share price | \$0.10      |
| Deemed fair value      | \$NIL       |
| Total fair value       | \$NIL       |

Tranche 2 options:

|                        |             |
|------------------------|-------------|
| Number of options      | 4,500,000   |
| Expiry date            | 31 Jan 2024 |
| Volatility             | 100%        |
| Risk free rate         | 1.5%        |
| Exercise price         | \$0.40      |
| Grant date share price | \$0.10      |
| Deemed fair value      | \$NIL       |
| Total fair value       | \$NIL       |

**KAISER REEF LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 OCTOBER 2019**

**4. CONTINGENT LIABILITIES AND ASSETS**

The Board is not aware of any other circumstances or information which leads them to believe there are any material contingent liabilities or assets outstanding as at 31 October 2019.

**5. EVENTS AFTER BALANCE DATE**

Subsequent to period end, Kaiser Reef Limited (Kaiser) has entered into the Acquisition Agreement with Chase Metals Pty Ltd (Chase) pursuant to which Kaiser has agreed, subject to satisfaction of certain conditions precedent, to acquire all of the Chase Shares from the Chase Shareholders (the Acquisition).

On 12 November 2019, the Company issued 150,000 shares at \$0.10 per share to raise \$15,000.

Kaiser lodged a prospectus with ASIC on 5 December 2019 for the purpose of completing the Acquisition and being admitted to the Official List of the ASX.

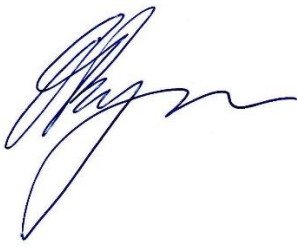
No other matter or circumstance has arisen since 31 October 2019 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

**KAISER REEF LIMITED**  
**DIRECTORS DECLARATION**

The Directors of the Company declare that:

- 1) The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
  - a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b) the attached financial statements and notes give a true and fair view of the financial position as at 31 October 2019 and of the performance for the period ended on that date of the company.
- 2) In the Directors' opinion, there is 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 and is signed for and on behalf of the Directors by:

A handwritten signature in blue ink, appearing to read 'Adrian Byass', with a stylized flourish at the end.

Adrian Byass

Director

5 December 2019

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAISER REEF LIMITED

### Report on the Interim Financial Report

#### Conclusion

We have reviewed the accompanying interim financial report of Kaiser Reef Limited (the company), which comprises the statement of financial position as at 31 October 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the company at 31 October 2019.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Kaiser Reef 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 31 October 2019, and of its financial performance for the period ended on that date; and
- (b) complying with the Australian 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.

#### Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim 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 interim 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 interim 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 31 October 2019 and its performance for the period ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Kaiser Reef Limited during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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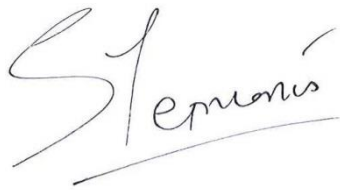
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A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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  
PARTNER5 DECEMBER 2019  
WEST PERTH,  
WESTERN AUSTRALIA