EcoGraf
ENGINEERING CLEAN ENERGY

15 MARCH 2020 ASX ANNOUNCEMENT **ASX: EGR**

Interim Financial Report

EcoGraf Limited ("EcoGraf" or "the Company") (ASX: EGR) is pleased to present its interim financial report for the half year ended 31 December 2019.

It is recommended that the report be read in conjunction with the Annual Report of EcoGraf (formerly Kibaran Resources Limited ASX:KNL) for the year ended 30 June 2019, together with any public announcements made by EcoGraf in accordance with the continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001.

This announcement was authorised to be given to ASX by the Board of Directors of EcoGraf Limited.

For further information, please contact:

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About EcoGraf

Founded on a commitment to innovation and sustainability, EcoGraf is building a vertically integrated business to produce high purity graphite for the lithium-ion battery market.

The new state-of-the-art processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible purification technology to provide customers with sustainably produced, high performance battery anode graphite. In time the battery graphite production base will be expanded to include additional facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

To complement the battery graphite operations, EcoGraf is also developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, which will supply additional feedstock for the spherical graphite processing facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

INTERIM FINANCIAL REPORT

For the half year ended 31 December 2019

EcoGraf

ECOGRAF LIMITED ABN 15 117 330 757

CORPORATE DIRECTORY

DIRECTORS

Robert Pett Non-Executive Chairman
Andrew Spinks Managing Director
Grant Pierce Executive Director
John Conidi Non-Executive Director
Christoph Frey Non-Executive Director

COMPANY SECRETARY

Howard Rae

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STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: EGR

Frankfurt Stock Exchange (Börse Frankfurt)
FSE Code: FMK

Fully paid ordinary shares

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ENGINEERING
CLEAN ENERGY

DIRECTORS' REPORT

The directors of EcoGraf Limited ("EcoGraf" or "the Company") and its controlled entities (collectively, the "consolidated entity") present their report together with the financial statements of the consolidated entity for the half year ended 31 December 2019.

BOARD OF DIRECTORS

The directors of the Company throughout the half year and to the date of this report are as follows:

Robert Pett	Non-Executive Chairman
Andrew Spinks	Managing Director
Grant Pierce	Executive Director
John Conidi	Non-Executive Director
Christoph Frey	Non-Executive Director

PRINCIPAL ACTIVITIES

EcoGraf is building a vertically integrated business to produce high purity graphite for the lithium-ion battery market.

The new state-of-the-art processing facility in Western Australia will manufacture spherical graphite products for export to Asia, Europe and North America using a superior, environmentally responsible purification technology to provide customers with sustainably produced, high performance battery anode graphite. In time the battery graphite production base will be expanded to include additional facilities in Europe and North America to support the global transition to clean, renewable energy in the coming decade.

To complement the battery graphite operations, EcoGraf is also developing the TanzGraphite natural flake graphite business, commencing with the Epanko Graphite Project, which will supply additional feedstock for the spherical graphite processing facilities and provide customers with a long term supply of high quality graphite products for industrial applications such as refractories, recarburisers and lubricants.

OPERATING RESULTS

The loss after income tax incurred by the consolidated entity for the six months ended 31 December 2019 was $1,644,000 (2018 loss: $1,882,000).

No dividends were declared or paid during the six months ended 31 December 2019 (2018: nil).

Cash and cash equivalents at 31 December 2019 totalled $788,000 (30 June 2019: $1,462,000).

REVIEW OF OPERATIONS

During the half year period, EcoGraf continued development of a proposed battery graphite purification plant which it plans to build in Kwinana, Western Australia.

This proposed manufacturing facility advanced towards Final Investment Decision, which is expected 2H FY20. Debt and equity funding processes continued with prospective lenders, and EcoGraf also commenced offtake discussions with major battery and industrial groups in Asia and Europe.

EcoGraf signed a Letter of Intent with GR Engineering for construction, operation and maintenance arrangements of its proposed Kwinana facility.

A Participant Agreement was signed with the Future Battery Industries Cooperative Research Centre, a Perth-based, government-backed hub aiming to position Australia as a global leader in industry focused research into the rapidly transforming battery value chain. The FBICRC will support EcoGraf as it develops its technology, which will provide important material for the centre's research programs.

Independent testwork conducted by EcoGraf during the period confirmed the efficiency and environmental advantages of its proprietary purification process. A feedstock benchmarking program is in progress, and results are expected shortly.

EcoGraf also continued development of its Epanko Graphite Project in Tanzania. The Company signed a Letter of Intent with GR Engineering for Epanko early works program and EPC construction contract, and achieved positive progress with KfW IPEX-Bank and a second financial institution on Epanko debt financing.

Debt financing for the project continues to be negotiated, however the Company completed a revised funding structure with the aim of simplifying and fast-tracking the US$60m of senior debt financing needed to develop Epanko.

An historic landmark agreement signed between Barrick Gold and Government of Tanzania during the period is expected to unlock debt financing hurdles, and EcoGraf looks forward to progress on this in 2H FY20.

The Company changed its name from Kibaran Resources Limited to EcoGraf Limited after shareholders approved the change at the 2019 Annual General Meeting.

SPHERICAL GRAPHITE MANUFACTURING PROJECT

The Company made significant progress during the period to achieve key milestones for making a Final Investment Decision for the development of the new 20,000tpa battery graphite facility in Western Australia.

Post period end, in February 2020, EcoGraf announced Export Finance Australia, a corporate entity under the Federal Department of Foreign Affairs and Trade, had provided in-principle debt funding support for the development of EcoGraf's proposed Kwinana battery graphite purification plant. EFA will undertake commercial and technical due diligence on the project before making a funding decision.

During the period, EcoGraf signed a Letter of Intent with GR Engineering Services Limited for the construction, operation and maintenance of the Kwinana facility and the parties are currently preparing final contract documentation.

Pre-development activities for the project progressed to schedule and the Company is finalising arrangements with the Western Australian Government's land development agency over its proposed 6.7ha site in Kwinana.

Independent testwork results from the purification process flow sheet program confirmed the effectiveness and eco-friendly nature of the EcoGraf proprietary purification process, with no adverse emissions recorded for gaseous, aqueous or solid residues. Results of this testwork provide GR Engineering with the information required to finalise the detailed design of the process flow sheet and equipment design data. Studies are ongoing to finalise the mass balance, process flows and quantification of wastewater volumes.

Other pre-development technical programs were undertaken to progress the Kwinana development including:

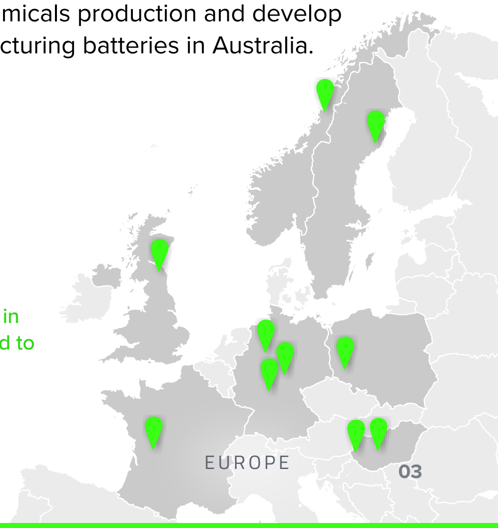
- Technical documentation for Government approvals, permitting and lease arrangements;
- Equipment testing campaigns by suppliers; and
- Final feedstock benchmarking to determine the preferred feedstocks and finalise binding purchase agreements.

Electric vehicle manufacturers have recently indicated further actions to promote responsibly produced battery raw materials, in particular:

- BMW Group is targeting new supplies by country of origin and is developing a revised sustainability strategy for its entire value chain;
- Volvo announced it will become the first car maker to implement global traceability by applying blockchain technology. Traceability of raw materials used in the production of lithium-ion batteries is one of the main sustainability challenges faced by car makers. Volvo stated that "customers can drive electrified Volvos knowing the material for the batteries has been sourced responsibly"; and
- Tesla confirmed it will build Gigafactory 4 in Germany, which is expected to be operational by the end of 2021.

Agreement with the Future Battery Industries Cooperative Research Centre ("FBI CRC"). The $135 million FBI CRC, based at Curtin University in Perth, aims to position Australia as a global leader in the environmentally, ethically and socially responsible manufacture, deployment, recycling and supply of batteries and battery materials. EcoGraf is one of the FBI CRC industry partners, helping to provide the technology and resources needed to identify opportunities for greater efficiency in battery mineral extraction and processing.

EcoGraf's proposed manufacturing development is consistent with FBI CRC goals, which aim to expand battery minerals and chemicals production and develop opportunities for manufacturing batteries in Australia.



Lithium-ion battery production facilities in operation or planned to begin by 2022

EPANKO GRAPHITE MINING PROJECT

Key milestones achieved to date include:

- Bankable Feasibility Study (BFS) completed by GR Engineering
- Bank appointed Independent Engineer's Review completed by SRK Consulting (UK), confirming that the BFS adequately addresses all technical aspects of the proposed development and that the social and environmental planning aspects satisfy IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines
- Offtake commitments for the planned production secured in Asia (Sojitz Corporation) and Europe (Thyssen Krupp and European Trader)
- Resettlement Action Plan approved by the Tanzanian Government
- Granted Mining Licence
- Letter of Intent with GR Engineering for early works program and EPC construction contract.

The remaining milestone is to finalise debt and equity funding arrangements to enable construction to proceed. During the period the Company continued to progress the senior debt financing of the new Epanko mine with KfW IPEX-Bank and a second financial institution. The Company is making positive progress to revise the proposed financing structure with the aim of simplifying and fast-tracking the entire debt financing.

On 24 January 2020 the Government of Tanzania signed a landmark settlement agreement with Barrick Gold Limited. The settlement is described by Barrick President Mark Bristow as "a historic day for Africa"and provides the breakthrough the Company has been awaiting for over 2 years to unlock Epanko's financing and development.

As a result, a US$60m Epanko senior debt funding proposal is being prepared by EcoGraf with its proposed lenders under the revised financing structure and subject to securing the agreement of all parties, completion of necessary approvals and loan agreements is now expected to be accelerated.

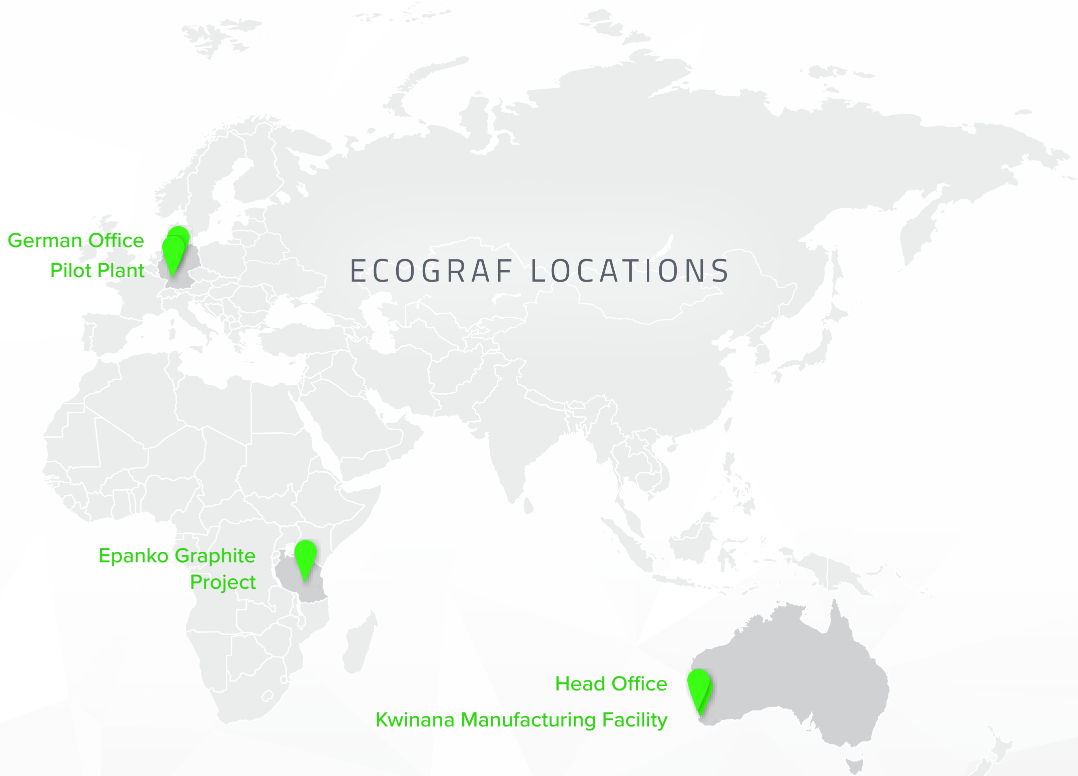
The on-going support the Company has received from KfW IPEX-Bank and offtake customers in Germany and Asia, has been critical to this process and EcoGraf remains committed to establishing Epanko as a new supplier of responsibly produced, high-quality natural flake graphite products.

Epanko is a development ready East African natural flake graphite project

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than as stated in this directors' report and note 2(c)(iii) of the financial statements, there have not been any events that have arisen in the interval between the end of the reporting period and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years.

EcoGraf's proposed new manufacturing facility aims to develop opportunities for manufacturing batteries in Australia



AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19 of this report.

Signed in accordance with a resolution of the directors.

Andrew Spinks
Managing Director

14 March 2020

FINANCIAL STATEMENTS

For the half year ended 31 December 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $'000	31 December 2018 $'000
INCOME			
R&D tax offset		232	-
Other income		2	4
		234	4
EXPENSES			
Accounting, audit and taxation services		(183)	(40)
Consultants and contractors		(893)	(583)
Employee benefits		(248)	(255)
Depreciation		(20)	(26)
Directors' fees		(92)	(92)
Exploration & evaluation expensed		(122)	-
Information systems and technology		(48)	(25)
Listing and compliance		(55)	(44)
Office rental & outgoings		(90)	(120)
Other		(58)	(121)
Provision for repayment of R&D tax offset and applicable interest		-	(502)
Travel & accommodation		(57)	(75)
Unrealised foreign exchange losses		(12)	(3)
		(1,878)	(1,886)
Loss before income tax		**(1,644)**	**(1,882)**
Income tax expense		-	-
Loss after income tax for the period		**(1,644)**	**(1,882)**
Other comprehensive loss		-	-
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		(1,644)	(1,882)
Total comprehensive income for the period, net of tax		**(1,644)**	**(1,882)**
Loss per share attributable to equity holders of the Company:			
		Cents	**Cents**
Basic loss per share		(0.55)	(0.68)
Diluted loss per share		(0.55)	(0.68)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 December 2019 $'000	30 June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents		788	1,462
Other receivables		133	118
Prepayments		16	29
Total current assets		**937**	**1,609**
Non-current assets			
Property, plant and equipment		169	189
Exploration and evaluation assets	3	17,808	17,292
Total non-current assets		**17,977**	**17,481**
Total assets		**18,914**	**19,090**
LIABILITIES			
Current liabilities			
Trade and other payables		745	602
Employee provisions		65	74
Total current liabilities		**810**	**676**
Non-current liabilities			
Employee provisions		26	22
Total non-current liabilities		**26**	**22**
Total liabilities		**836**	**698**
Net assets		**18,078**	**18,392**
EQUITY			
Contributed equity	4	45,693	44,852
Reserves		3,083	2,594
Accumulated losses		(30,698)	(29,054)
Total equity		**18,078**	**18,392**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Contributed equity $'000	Accumulated losses $'000	Loan share reserve $'000	Share based payment reserve $'000	Total $'000
As at 1 July 2018	**43,786**	**(25,714)**	**(5,049)**	**6,649**	**19,672**
Loss for the period	-	(1,882)	-	-	(1,882)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(1,882)	-	-	(1,882)
Balance at 31 December 2018	**43,786**	**(27,596)**	**(5,049)**	**6,649**	**17,790**
As at 1 July 2019	**44,852**	**(29,054)**	**(4,055)**	**6,649**	**18,392**
Loss for the period	-	(1,644)	-	-	(1,644)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	**(1,644)**	-	-	**(1,644)**
Transactions with owners in their capacity as owners:					
Shares issued during the period	1,358	-	-	-	1358
Share plan shares cancelled	(489)	-	489	-	-
Share issue expense	(28)	-	-	-	(28)
Balance at 31 December 2019	**45,693**	**(30,698)**	**(3,566)**	**6,649**	**18,078**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $'000	31 December 2018 $'000
OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,586)	(1,425)
Research and development tax credit received	232	-
Net cash flows used in operating activities	**(1,354)**	**(1,425)**
INVESTING ACTIVITIES		
Payments for exploration and evaluation	(649)	(769)
Payments for property, plant & equipment	(1)	-
Interest received	2	5
Net cash flows from/(used in) investing activities	**(648)**	**(764)**
FINANCING ACTIVITIES		
Proceeds from issue of shares and options	1,358	135
Capital raising costs for issue of shares	(30)	(22)
Net cash flows from financing activities	**1,328**	**113**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(674)	(2,076)
Cash and cash equivalents at beginning of the period	1,462	2,827
Cash and cash equivalents at end of the period	**788**	**751**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1. COMPANY INFORMATION

The consolidated financial statements of EcoGraf Limited and its subsidiaries (collectively, the "consolidated entity") for the half year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 13 March 2020.

EcoGraf Limited ("the Company" or "the parent") is a for profit company limited by shares incorporated in Australia whose shares are publicly listed on the Australian Securities Exchange. It has activities in Australia and Tanzania, with the country of domicile being Australia and the registered office located in Australia.

The nature of operations and principal activities of the consolidated entity are described in the directors' report.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial report for the year ended 30 June 2019, together with any public announcements made by the Company during the half year ended 31 December 2019 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

All amounts have been rounded to the nearest thousand, unless otherwise stated, in accordance with ASIC Corporations (rounding in financial/directors' reports) instrument 2016/191.

(b) Significant accounting policies

The accounting policies adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2019, except for the adoption of new standards and interpretations as of 1 July 2019.

The Company changed its accounting policies as a result of adopting the following standards:

- AASB 16 *Leases*, and
- AASB Interpretation 23 *Uncertainty over Income Tax Treatments*.

AASB 16: *Leases*

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar manner to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The consolidated entity has assessed the impact on its consolidated financial statements resulting from the application of AASB 16. The new standard did not significantly impact the consolidated entity as it has not entered into any significant leasing arrangements.

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*.

The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- 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.

The consolidated entity has assessed the impact on its consolidated financial statements resulting from the application of AASB Interpretation 23. The new interpretation does not significantly impact the consolidated entity.

(c) Going concern

For the half year ended 31 December 2019, the consolidated entity reported a loss after income tax of $1,644,000 (2018: loss $1,882,000) and held cash and cash equivalents of $788,000 (30 June 2019 $1,462,000). The consolidated entity's cashflow forecast for the 12 months to 31 March 2021 indicates that it will need to raise additional capital to fund its on-going business programs.

The directors consider it appropriate to prepare the financial statements on a going concern basis based on the following pertinent considerations:

i. the consolidated entity has a history of successfully raising working capital as and when required, regardless of market cycles;

ii. the consolidated entity has executed a mandate letter with an investment bank to act as lead manager for an equity capital raising expected to be completed during March 2020; and

iii. an undrawn funding facility of $300,000 has been arranged with directors to provide the consolidated entity with additional working capital, if required.

In the event that the consolidated entity is unable to obtain sufficient funding to pay its existing creditors and meet its ongoing working capital requirements as required, there is material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, that may be necessary should the consolidated entity not be able to continue as a going concern.

3. EXPLORATION AND EVALUATION ASSETS

	31 December 2019 $'000	30 June 2019 $'000
Exploration and evaluation expenditure carried forward:		
Carrying amount at the beginning of the period	**17,292**	**16,922**
Capitalised expenditure at cost	516	1,367
Exploration and evaluation expenditure written off	-	(964)
Exploration expenditure research and development tax offset	-	(33)
Carrying amount at the end of the period	**17,808**	**17,292**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest. The Company is in discussion with the Government of Tanzania with respect to the regulatory arrangements and approvals for the development of the Epanko Graphite Project, including mining licence conditions past due for the commencement of regular production. On 4 September 2018, the Mining Commission confirmed to the Company that it will be ready to renew the mining licence upon expiry of the licence period in 2025, provided that the requirements of section 53 of the *Mining Act 2010* are fulfilled.

4. CONTRIBUTED EQUITY

	No. of shares	$'000
1 July 2018	**275,680,967**	**43,786**
Share placement	21,690,000	2,168
Plan shares expired	(4,750,000)	(994)
Capital raising costs	-	(108)
At 30 June 2019	**292,620,967**	**44,852**
Share placement	14,537,224	1,308
Issue of shares to consultants in lieu of cash	555,556	50
Plan shares expired	(2,050,000)	(489)
Capital raising costs	-	(28)
31 December 2019	**305,663,747**	**45,693**

5. SEGMENT INFORMATION

The consolidated entity reports one segment, natural graphite products, to the chief operating decision maker, being the Managing Director, for the purposes of assessing performance and determining the allocation of resources.

Unless otherwise stated, all amounts reported to the chief operating decision maker are determined in accordance with accounting policies that are consistent with those adopted in this financial report.

	Australia $'000	Tanzania $'000	Total $'000
Six months ended 31 December 2019			
Segment revenues	234	-	234
Segment results	(1,111)	(533)	(1,644)
Six months ended 31 December 2018			
Segment revenues	4	-	4
Segment results	(1,650)	(232)	(1,882)
31 December 2019			
Segment assets	18	17,959	17,977
Unallocated assets:			
Cash and cash equivalents			788
Other receivables			133
Prepayments			16
Total assets			**18,914**
Segment liabilities	(824)	(12)	(836)
Total liabilities			**(836)**
30 June 2019			
Segment assets	20	17,461	17,481
Unallocated assets:			
Cash and cash equivalents			1,462
Other receivables			118
Prepayments			29
Total assets			**19,090**
Segment liabilities	(613)	(85)	(698)
Total liabilities			**(698)**

6. DIVIDENDS

No dividends were declared or paid during the half year ended 31 December 2019 (2018: nil).

7. RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties entered into during the period.

8. EVENTS AFTER BALANCE DATE

Other than as stated in note 2(c)(iii), there have not been any events that have arisen in the interval between the end of the reporting period and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. The interim financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes, are in accordance with the *Corporations Act 2001* and:

    a) Comply with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*; and

    b) Give a true and fair view of the financial position at 31 December 2019 and of the performance for the period ended on that date.

2. Subject to achievement of matters set out in note 2(c) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Andrew Spinks
Managing Director

14 March 2020

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Building a better working world

Independent auditor's review report to the Members of EcoGraf Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of EcoGraf Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial 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*.

Emphasis of matter – material uncertainty related to going concern

We draw attention to Note 2(c) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

GB:JG:ECOGRAF:000

INDEPENDENT AUDITOR'S REVIEW 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.

Independence

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

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
14 March 2020

AUDITOR'S INDEPENDENCE DECLARATION

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Building a better working world

Auditor's independence declaration to the Directors of EcoGraf Limited

As lead auditor for the review of the half-year financial report of EcoGraf Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of EcoGraf Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
14 March 2020

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