



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2020

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	
Principal & Registered Office	Suite 23, 513 Hay Street Subiaco, WA 6008 Telephone: Email:	(08) 6142 0986 admin@carbineresources.com.au
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 Advisers	HWL Ebsworth Lawyers Level 20 240 St Georges Terrace Perth WA 6000 Telephone:	(08) 6559 6500
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DIRECTORS' REPORT

The Directors present their report for Carbine Resources Limited ("the Company") for the half-year ended 30 June 2020.

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 \$388,701 (30 June 2019: \$515,675 loss).

During the half year ended 30 June 2020, the Company continued progressing and negotiating the potential acquisition of the Cockatoo Island Project and conditions precedent there-of. These conditions precedent include extensive due diligence, shareholder approval and satisfaction of Chapters 1 and 2 of the ASX Listing Rules for reinstatement to official quotation of the Company's securities.

SUBSEQUENT EVENTS

Subsequent to the reporting period:

- On 3 July 2020 the Company received \$200,000 for the sale of mining information, pursuant to an agreement executed on 2 July 2020.

There were no other events subsequent to the end of the half year ended 30 June 2020 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 28th day of July 2020.

Signed in accordance with a resolution of the Directors.



Evan Cranston
Chairman

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 30 JUNE 2020**

	Notes	30 June 2020 \$	30 June 2019 \$
Revenue from continuing operations		6,552	20,555
Other Income		15,555	-
Exploration and evaluation costs	2	(1,238)	(15,036)
Depreciation	4	(5,870)	(3,945)
Employee, director and consultant expenses		(124,191)	(135,674)
General and administration expenses		(144,194)	(231,575)
Due diligence costs		(145,315)	-
Gain/ (loss) on revaluation of financial assets	5	10,000	(150,000)
Loss before income tax expense		(388,701)	(515,675)
Income Tax Expense		-	-
Loss after income tax from continuing operations attributable to members of Carbine Resources Limited		(388,701)	(515,675)
Loss for the half year		(388,701)	(515,675)
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		(388,701)	(515,675)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.19)	(0.26)
Diluted loss per share		(0.19)	(0.26)
Loss per share from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.19)	(0.26)
Diluted loss per share		(0.19)	(0.26)

This 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 2020**

	Notes	30 June 2020 \$	31 December 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		1,693,283	2,180,649
Trade and other receivables	3	6,594	11,915
Current financial assets	5	530,000	520,000
Other current assets		26,656	5,987
TOTAL CURRENT ASSETS		2,256,533	2,718,551
NON-CURRENT ASSETS			
Non-current financial assets	5	50,000	50,000
Plant and equipment	4	27,072	21,157
TOTAL NON-CURRENT ASSETS		77,072	71,157
TOTAL ASSETS		2,333,605	2,789,708
CURRENT LIABILITIES			
Trade and other payables		27,864	95,266
TOTAL CURRENT LIABILITIES		27,864	95,266
TOTAL LIABILITIES		27,864	95,266
NET ASSETS		2,305,741	2,694,442
EQUITY			
Issued Capital	6	31,121,482	31,121,482
Reserves		2,948,558	2,948,558
Accumulated losses		(31,764,299)	(31,375,598)
TOTAL EQUITY		2,305,741	2,694,442

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

**STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 30 JUNE 2020**

COMPANY

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2020	31,121,482	(31,375,598)	2,948,558	2,694,442
Loss for the half year from continuing operations	-	(388,701)	-	(388,701)
Total comprehensive income / (loss) for the half year	-	(388,701)	-	(388,701)
Transactions with owners in their capacity as owners:				
Securities issued	-	-	-	-
Share based payments	-	-	-	-
	-	-	-	-
Balance at 30 June 2020	31,121,482	(31,764,299)	2,948,558	2,305,741

CONSOLIDATED

	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

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

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	30 June 2020	30 June 2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other income	10,000	-
Payments to suppliers and employees	(492,549)	(327,948)
Exploration expenditure, prospects, management fees	-	(14,382)
Interest received	6,968	20,797
Net cash (outflow) from operating activities	(475,581)	(321,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(11,785)	(30,000)
Net cash (outflow) from investing activities	(11,785)	(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	(487,366)	(351,533)
Cash and cash equivalents at the beginning of the period	2,180,649	2,869,538
Cash and cash equivalents at the end of the period	1,693,283	2,518,005

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

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 2020 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors on 28th July 2020. 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 2020 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 2020 affected any of the amounts recognised in the current period or any prior period.

The Company has adopted the new *Conceptual Framework for Financial Reporting*, which is applicable to annual reporting periods beginning on or after 1 January 2020. The adoption of this Conceptual Framework from 1 January 2020 has not led to any changes in accounting or disclosure for the Company, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The Company has adopted the new definition of Material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*, which is applicable to annual reporting periods beginning on or after 1 January 2020. The amendments provide a new definition of material which now extends materiality consideration to obscuration and clarify that materiality now depends on the nature or magnitude of information.

The Company has adopted the new definitions of Business and associated guidance in *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business*, which is applicable to annual reporting periods beginning on or after 1 January 2020. The amendments clarify the minimum requirements for a business, narrowing the definition of business and of outputs, and also provide guidance to help entities assess whether an acquired process is substantive.

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

2. EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2020	30 June 2019
	\$	\$
Exploration and evaluation expenditure during the half year	1,238	15,036
Exploration and evaluation costs expensed	(1,238)	(15,036)
Total exploration and evaluation	-	-

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

3. TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
	\$	\$
Current		
Net GST refundable	4,359	9,264
Other receivable	2,235	2,651
Total trade and other receivables	6,594	11,915

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.

4. PLANT AND EQUIPMENT

	30 June 2020	31 December 2019
	\$	\$
Opening net book value	21,157	215
Additions	11,785	30,000
Depreciation charge for the period	(5,870)	(9,058)
Disposals	-	-
Closing net book value	27,072	21,157
Cost	42,212	30,427
Accumulated depreciation and impairment	(15,140)	(9,270)
Net book value	27,072	21,157

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 30 JUNE 2020**

5. FINANCIAL ASSETS

	COMPANY 30 June 2020	COMPANY 31 December 2019
	\$	\$
Current financial assets		
Value of 10,000,000 ordinary shares in Boss Resources Limited (Boss) at start of the period	520,000	590,000
Increase/ (decrease) in value of 10,000,000 shares in Boss Resources Limited	10,000	(70,000)
Total current financial assets at fair value	530,000	520,000
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

At 30 June 2020 the 10,000,000 Boss shares were worth \$0.053 each for a total value of \$530,000 (31 December 2019: \$0.052 each for a total value of \$520,000). The net increase in value of these shares of \$10,000 has been recognised by the Company in profit or loss (2019: decrease of \$70,000).

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 FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

6. ISSUED CAPITAL

	30 June 2020		31 December 2019	
	No. of Shares	\$	No. of Shares	\$
<i>Ordinary shares fully paid</i>				
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. No share options or performance rights over shares in the Company were granted, issued, vested, exercised, on issue or forfeited during the half year or prior year.

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 (2019: \$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.

	30 June 2020	31 December 2019
Serviced office commitment		
Due within 1 year	36,000	36,000
Due greater than 1 year and less than 5	-	-
Total	36,000	36,000

9. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting period:

- On 3 July 2020 the Company received \$200,000 for the sale of mining information, pursuant to an agreement executed on 2 July 2020.

There were no other events subsequent to the end of the half year ended 30 June 2020 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 11 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 2020 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 28th day of July 2020

28 July 2020

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 2020, 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



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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the 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.

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 2020 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 28 July 2020.

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 2020 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
28 July 2020