

## APPENDIX 4D

Half-year report  
Period ended 31 December 2017

<b>RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>
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Entity:	Pacific Mining Limited
ABN:	64 000 140 938
Reporting period:	Six months ended 31 December 2017

\$

Revenue from ordinary activities	Up	22.85%	to	423,211
Profit/ (loss) from ordinary activities after tax attributable to members	up	32.82%	to	214,723
Net profit/ (loss) for the period attributable to equity holders	up	32.82%	to	214,723

<b>NTA Backing</b>	31 December 2017 \$	31 December 2016 \$
Net tangible asset backing per ordinary share	0.643	0.649

<b>Dividends</b>	Amount per security	Franked amount per security
Interim dividend	N/a	N/a
Previous corresponding period	N/a	N/a

Record date for determining entitlements to the dividends

N/a
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## **APPENDIX 4D**

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<b>ABN:</b>	<b>64 000 140 938</b>
<b>Reporting period:</b>	<b>Six months ended 31 December 2017</b>

### **Commentary on the results and review of operations**

The net profit after tax for the period was \$214,723 (2016: net profit of \$161,670). Total revenue for the period was \$423,211 (2016: \$344,485) and total expenses were \$229,904 (2016: \$193,320).

Rental income decreased by 0.04% to \$124,563 during the half-year ended 31 December 2017 compared to \$124,608 in the same period last year. The rental income was generated by the property at Thornton.

Interest income decreased by \$391 (2.18%) for the half-year. Dividends and trust distributions income increased by a total of \$79,162 (41.68%) compared to the same period last year.

Total expenses increased by \$36,584 compared with the half-year ended 31 December 2016 mainly due to additional statutory and compliance costs.

**Pacific Mining Limited**  
ABN 64 000 140 938

**Half-year Financial Report**

**31 December 2017**

## DIRECTORS' REPORT

The directors present their report together with the financial report for the half-year ended 31 December 2017 and the review report thereon.

## REVIEW OF OPERATIONS

The net profit after tax for the period was \$214,723 (2016: net profit of \$161,670). Total revenue for the period was \$423,211 (2016: \$344,485) and total expenses were \$229,904 (2016: \$193,320).

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## DIRECTORS

The directors of the Company at any time during or since the end of the half-year are:

<b>Name</b>	<b>Period of directorship</b>
Peter Bingley White Executive Director	Director since 1974
David Lance Bentley Chairman Independent Non-Executive Director	Director since 1992
Nicholas Peter Dawes White Non-Executive Director	Director since 2009

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 31 December 2017.

Dated at Sydney, this 22nd day of February 2018.  
Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'P. B. White', enclosed within a hand-drawn oval.

Peter B White - Director

## DECLARATION OF INDEPENDENCE BY KIERAN GOULD TO THE DIRECTORS OF PACIFIC MINING LIMITED

As lead auditor for the review of Pacific Mining Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Kieran Gould  
Partner

**BDO East Coast Partnership**

Sydney, 22 February 2018

## Statement of Profit or Loss and Other Comprehensive Income For the six months ended 31 December 2017

	Note	Half Year 31 December 2017 \$	Half Year 31 December 2016 \$
Revenue	8	423,211	344,485
Rental properties expenses		(20,685)	(20,045)
Management fees paid		(30,614)	(29,156)
Personnel expenses		(42,681)	(41,915)
Administration expenses		(110,682)	(76,951)
Licensing fees		(12,000)	(12,000)
Other expenses		(13,242)	(13,253)
<b>Profit before tax</b>		<b>193,307</b>	<b>151,165</b>
Income tax benefit		21,416	10,505
<b>Profit for the period</b>		<b>214,723</b>	<b>161,670</b>
<b>Other Comprehensive income/(loss)</b>			
<i>Items that may be classified subsequently to profit or loss</i>			
Changes in the fair value of available for sale financial assets net of tax		(21,671)	416,308
Other comprehensive (loss)/income for the period, net of tax		(21,671)	416,308
<b>Total comprehensive income for the period</b>		<b>193,052</b>	<b>577,978</b>
<b>Earnings per share for profit attributable to ordinary equity holders of the company:</b>		<b>Dollars</b>	<b>Dollars</b>
Basic earnings per share		0.015	0.012
Diluted earnings per share		0.015	0.012

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

## Statement of Changes in Equity For the six months ended 31 December 2017

	Issued capital \$	Financial assets reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2016	5,070,947	(13,217)	3,458,843	8,516,573
Profit for the period	-	-	161,670	161,670
Other comprehensive income for the period, net of tax	-	416,308	-	416,308
Total comprehensive income for the period	-	416,308	161,670	577,978
Balance at 31 December 2016	<b>5,070,947</b>	<b>403,091</b>	<b>3,620,513</b>	<b>9,094,551</b>
Balance at 1 July 2017	5,070,947	246,630	3,490,163	8,807,740
Profit for the period	-	-	214,723	214,723
Other comprehensive income for the period, net of tax	-	(21,671)	-	(21,671)
Total comprehensive income for the period	-	(21,671)	214,723	193,052
Balance at 31 December 2017	<b>5,070,947</b>	<b>224,959</b>	<b>3,704,886</b>	<b>9,000,792</b>

The statement of changes in equity is to be read in conjunction with the accompanying notes.

## Statement of Financial Position As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
<b>Current assets</b>			
Cash and cash equivalents		1,276,504	686,110
Trade and other receivables		23,607	42,497
Other current assets		19,306	17,649
Current tax asset		4,741	4,741
<b>Total current assets</b>		<b>1,324,158</b>	<b>750,997</b>
<b>Non-current assets</b>			
Receivables		68,900	67,301
Investment properties	9	2,100,000	2,100,000
Financial assets	10	6,044,420	6,411,041
Property, plant & equipment		-	-
<b>Total non-current assets</b>		<b>8,213,320</b>	<b>8,578,342</b>
<b>Total assets</b>		<b>9,537,478</b>	<b>9,329,339</b>
<b>Current liabilities</b>			
Trade and other payables		267,716	246,423
Other current liabilities		47,214	23,607
<b>Total current liabilities</b>		<b>314,930</b>	<b>270,030</b>
<b>Non-current liabilities</b>			
Long term provisions		34,825	33,934
Deferred tax liabilities		186,931	217,635
<b>Total non-current liabilities</b>		<b>221,756</b>	<b>251,569</b>
<b>Total liabilities</b>		<b>536,686</b>	<b>521,599</b>
<b>Net assets</b>		<b>9,000,792</b>	<b>8,807,740</b>
<b>Equity</b>			
Issued capital	4	5,070,947	5,070,947
Reserves		224,959	246,630
Retained earnings		3,704,886	3,490,163
<b>Total equity</b>		<b>9,000,792</b>	<b>8,807,740</b>

The statement of financial position is to be read in conjunction with the accompanying notes



## Statement of Cash Flows

For the six months ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>		
Cash receipts from customers	195,319	151,151
Cash payments to suppliers and employees	(245,432)	(106,027)
Cash (used)/generated in operations	(50,113)	45,124
Income tax refunded	15,582	15,582
Interest received	23,885	22,647
Dividends received	265,378	186,181
<b>Net cash from operating activities</b>	<b>254,732</b>	<b>269,534</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets	500,000	-
Payments to acquire financial assets	(164,338)	(16,051)
<b>Net cash from/(used in) investing activities</b>	<b>335,662</b>	<b>(16,051)</b>
<b>Net increase in cash and cash equivalents</b>	<b>590,394</b>	<b>253,483</b>
Cash and cash equivalents at the beginning of the year	686,110	271,645
<b>Cash and cash equivalents at the end of the period</b>	<b>1,276,504</b>	<b>525,128</b>

The statement of cash flows is to be read in conjunction with the accompanying notes.

**Notes to the half-year financial statements****1. Reporting entity**

Pacific Mining Limited (the "Company") is a company registered and domiciled in Australia. The annual financial report of the Company as at and for the year ended 30 June 2016 is available upon request from the Company's registered office at Level 4, 9 Help Street, Chatswood NSW 2067.

**2. Statement of compliance**

The half-year financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* as appropriate for for-profit oriented entities and the Corporations Act 2001.

The half-year financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2017.

This half-year financial report was approved by the Board of Directors on 22nd February 2018.

**3. Significant accounting policies**

The accounting policies applied by the Company in this half-year financial report are the same as those applied by the company in its annual financial report for the year ended 30 June 2017.

In the current period, the Company has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2016. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the company's accounting policies.

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

There are no seasonal or cyclical effects on the half-year financial report ended 31 December 2017.

**4. Issued capital****Issued and paid-up capital**

14,002,696 (June 2017: 14,002,696) ordinary shares, fully paid

Total issued and paid-up capital

<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
5,070,947	5,070,947
5,070,947	5,070,947

Holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at shareholders' meetings.

## Notes to the half-year financial statements

### 5. Segment information

Operating segments are presented using the “management approach” under which segment information is presented on the same basis as that used for internal reporting purpose. The Company has identified two operating segments, mining and investment segments. The business segment reporting format reflects the Company’s management and internal reporting structure.

Inter-segment pricing is determined on an arm’s length basis.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Company receives rental income, royalties, interest, dividend and trust distributions from these assets.

#### Business segments for the six months ended 31 December 2017

<i>In dollars</i>	Mining Continuing Operation		Investment Continuing Operation		Total	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Segment Revenue	12,000	12,000	411,210	332,485	423,210	344,485
Segment Result	(9,547)	(7,750)	260,708	202,587	251,161	194,837
Net unallocated income and expense					(57,854)	(43,672)
Profit/(Loss) before tax					193,307	151,165
Income tax benefit					21,416	10,505
<b>Profit/ (Loss) for the period</b>					<b>214,723</b>	<b>161,670</b>

### 6. Dividends

No dividends were declared or paid during the six month period ended 31 December 2017 (31 December 2016: Nil).

## Notes to the half-year financial statements

### 7. Related parties

Arrangements with key management personnel continue to be in place. For details on these arrangements refer to the 30 June 2017 annual financial report.

#### Loans from related parties of key management personnel

	Balance 31 December 2017 \$	Balance 30 June 2017 \$	Interest paid and payable in the reporting period \$
Related parties of Executive Director Peter B White	(210,922)	(198,826)	-

#### Transactions with key management personnel

During the six months the Company has recognised:

Related parties of key management personnel	Transaction	31 December 2017 \$	31 December 2016 \$
Peter B White	License Fees – Mine	12,000	12,000
Peter B White	Management fees paid	30,613	29,156
Christopher J Hall	Accountancy & administration fees paid	57,595	39,875

### 8. Revenue

	31 December 2017 \$	31 December 2016 \$
Rental revenue	124,563	124,608
Interest received	17,542	17,933
Dividend received	265,378	186,181
Trust distributions received	3,728	3,763
Mining lease fee	12,000	12,000
	<b>423,211</b>	<b>344,485</b>

## Notes to the half-year financial statements

### 9. Investment properties

	31 December 2017 \$	30 June 2017 \$
Balance at beginning of period	2,100,000	2,394,000
Acquisitions	-	(15,640)
Fair value adjustments	-	(278,360)
Balance at period end	2,100,000	2,100,000

The carrying amount of the Thornton investment property is the fair value of the property as determined by independent valuation of the property as at 30 June 2017.

Property held comprises commercial property that is leased to third parties. Property interest held under operating lease is classified as investment property.

### 10. Fair values of financial instruments

#### Fair value of the Fund's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following financial instruments are subject to recurring fair value measurements:

Available-for-sale financial assets:

	31 December 2017 \$	30 June 2017 \$
Ordinary shares	5,935,530	6,309,306
Public trusts	108,890	101,735
Total	6,044,420	6,411,041

#### Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares	5,935,530	-	-	5,935,530
Public trusts	106,890	2,000	-	108,890
Total assets	6,042,420	2,000	-	6,044,420

# Pacific Mining Limited

ABN 64 000 140 938

30 June 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares	6,309,306	-	-	6,309,306
Public trusts	99,735	2,000	-	101,735
Total assets	6,411,041	2,000	-	6,411,041

There were no transfers between levels during the period.

## Valuation techniques used to derive level 2 fair values

The fair value of public trusts not traded in an active market is determined using valuation techniques which use only observable market data. The fair value of public trusts is calculated as the observable unit price published by the fund investment manager at the end of the period. There has been no change in the valuation technique used since the end of the previous annual reporting period.

## Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to approximate their fair value.

## 12. Subsequent events

P B White Minerals Pty Ltd, a substantial shareholder of the Company acting in concert with two other related parties of the managing director Peter White, lodged a Notice of Compulsory Acquisition on 2nd of February 2018 to acquire the remaining 9.13% shareholders of the Company at 60 cents per share. Documents have been sent to the relevant shareholders on the 5th February for approval.

No other matter or circumstance, that has arisen in the interval between the end of the half-year period and the date of this report, has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## Directors' declaration

In the opinion of the directors of Pacific Mining Limited ("the Company"):

- 1 the financial statements and notes set out on pages 7 to 14 are in accordance with the Corporations Act 2001, including;
  - a) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - b) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney on this 22nd day of February 2018 in accordance with a resolution of the Directors.



Mr Peter B White  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pacific Mining Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Pacific Mining Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### 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, 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 31 December 2017 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 the Company, 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.





### **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*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### **BDO East Coast Partnership**

BDO

Kieran Gould

**Kieran Gould**  
**Partner**

Sydney, 22 February 2018