

# APPENDIX 4D

Half-year report  
Period ended 31 December 2016

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity: Pacific Mining Limited  
ABN: 64 000 140 938  
Reporting period: Six months ended 31 December 2016

\$

Revenue from ordinary activities	up	5.87%	to	344,485
Profit/ (loss) from ordinary activities after tax attributable to members	up	184.36%	to	161,670
Net profit/ (loss) for the period attributable to equity holders	up	184.36%	to	161,670

<b>NTA Backing</b>	31 December 2016 \$	31 December 2015 \$
Net tangible asset backing per ordinary share	0.649	0.614

<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

## **APPENDIX 4D**

**Half-year report**  
**Period ended 31 December 2016**

<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 2016

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

The net profit after tax for the period was \$161,670 (2015: net loss of \$191,645). Total revenue for the period was \$344,485 (2015: \$325,395) and total expenses were \$193,320 (2015: \$644,834).

Rental income decreased by 33.12% to \$124,608 during the half-year ended 31 December 2016 compared to \$186,305 in the same period last year as a result of the sale of the Lane Cove property during financial year ended 30 June 2016. The current period rental income was generated by the property at Thornton.

Interest income decreased by \$13,882 (43.63%) for the half-year. Dividends and trust distributions income increased by a total of \$94,669 (99.36%) compared to the same period last year. There was no disposal of financial assets during the period.

Total expenses decreased by \$451,514 compared with the half-year ended 31 December 2015. This is largely due to the impairment adjustment (\$385,000) to the fair value of the Lane Cove investment property recognised in the comparative period as well as decrease in property related expenses subsequent to the sale of the above property.

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

**Half-year Financial Report**

**31 December 2016**

**DIRECTORS' REPORT**

The directors present their report together with the financial report for the half-year ended 31 December 2016 and the review report thereon.

**REVIEW OF OPERATIONS**

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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 1 July 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 2016.

Dated at Sydney, this 27th day of February 2017.  
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 2016, 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, 27 February 2017

## Statement of Profit or Loss and Other Comprehensive Income For the six months ended 31 December 2016

	Note	Half Year 31 December 2016 \$	Half Year 31 December 2015 \$
Revenue	8	344,485	325,395
Rental properties expenses		(20,045)	(68,692)
Management fees paid		(29,156)	(36,265)
Personnel expenses		(41,915)	(39,716)
Administration expenses		(76,951)	(70,840)
Depreciation		-	(1)
Capital loss on disposal of financial assets		-	(19,199)
Change in fair value of investment property		-	(385,000)
Licensing fees		(12,000)	(12,000)
Other expenses		(13,253)	(13,121)
<b>Profit/(loss) before tax</b>		<b>151,165</b>	<b>(319,439)</b>
Income tax benefit		10,505	127,794
<b>Profit/(loss) for the period</b>		<b>161,670</b>	<b>(191,645)</b>
<b>Other Comprehensive income/(loss)</b>			
Items that may be classified subsequently to profit or loss			
Changes in the fair value of available for sale financial assets net of tax		416,308	(82,167)
Other comprehensive income for the period, net of tax		416,308	(82,167)
<b>Total comprehensive income/(loss) for the period</b>		<b>577,978</b>	<b>(273,812)</b>
<b>Earnings per share for profit attributable to ordinary equity holders of the company:</b>		<b><u>Dollars</u></b>	<b><u>Dollars</u></b>
Basic earnings per share		0.012	(0.014)
Diluted earnings per share		0.012	(0.014)

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 2016

	Issued capital \$	Financial assets reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2015	5,070,947	(59,372)	3,857,328	8,868,903
Loss for the period	-	-	(191,645)	(191,645)
Other comprehensive loss for the period, net of tax	-	(82,167)	-	(82,167)
Total comprehensive loss for the period	-	(82,167)	(191,645)	(273,812)
Balance at 31 December 2015	<b>5,070,947</b>	<b>(141,539)</b>	<b>3,665,683</b>	<b>8,595,091</b>
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>

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

## Statement of Financial Position As at 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
<b>Current assets</b>			
Cash and cash equivalents		525,128	271,645
Trade and other receivables		23,238	5,895
Other current assets		25,167	37,258
Current tax asset		11,685	20,371
<b>Total current assets</b>		<b>585,218</b>	<b>335,169</b>
<b>Non-current assets</b>			
Receivables		67,301	66,038
Investment properties	9	2,394,000	2,394,000
Financial assets	10	6,634,557	6,023,780
Property, plant & equipment		-	1
<b>Total non-current assets</b>		<b>9,095,858</b>	<b>8,483,819</b>
<b>Total assets</b>		<b>9,681,076</b>	<b>8,818,988</b>
<b>Current liabilities</b>			
Trade and other payables		140,630	47,798
Other current liabilities		46,477	23,237
<b>Total current liabilities</b>		<b>187,107</b>	<b>71,035</b>
<b>Non-current liabilities</b>			
Long term provisions		38,657	38,532
Deferred tax liabilities		360,761	192,848
<b>Total non-current liabilities</b>		<b>399,418</b>	<b>231,380</b>
<b>Total liabilities</b>		<b>586,525</b>	<b>302,415</b>
<b>Net assets</b>		<b>9,094,551</b>	<b>8,516,573</b>
<b>Equity</b>			
Issued capital	4	5,070,947	5,070,947
Reserves		403,091	(13,217)
Retained earnings		3,620,513	3,458,843
<b>Total equity</b>		<b>9,094,551</b>	<b>8,516,573</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 2016

	31 December 2016 \$	31 December 2015 \$
<b>Cash flows from operating activities</b>		
Cash receipts from customers	151,151	211,994
Cash payments to suppliers and employees	(106,027)	(203,952)
Cash generated and used in operations	45,124	8,042
Income tax refunded/(paid)	15,582	(31,932)
Interest received	22,647	37,934
Dividends received	186,181	90,155
<b>Net cash from operating activities</b>	<b>269,534</b>	<b>104,199</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets	-	980,802
Payments to acquire financial assets	(16,051)	(502,214)
<b>Net cash (used)/generated in investing activities</b>	<b>(16,051)</b>	<b>478,588</b>
<b>Net increase in cash and cash equivalents</b>	<b>253,483</b>	<b>582,787</b>
Cash and cash equivalents at the beginning of the year	271,645	199,119
<b>Cash and cash equivalents at the end of the period</b>	<b>525,128</b>	<b>781,906</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 2016.

This half-year financial report was approved by the Board of Directors on 27<sup>th</sup> February 2017.

**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 2016.

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 2016.

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

14,002,696 (June 2016: 14,002,696) ordinary shares, fully paid

Total issued and paid-up capital

<b>31 December 2016 \$</b>	<b>30 June 2016 \$</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 2016

<i>In dollars</i>	Mining Continuing Operation		Investment Continuing Operation		Total	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Segment Revenue	12,000	12,000	332,485	313,395	344,485	325,395
Segment Result	(7,750)	(7,933)	202,587	(269,800)	194,837	(277,733)
Net unallocated income and expense					(43,672)	(41,705)
Profit/(Loss) before tax					151,165	(319,439)
Income tax benefit					10,505	127,794
<b>Profit/ (Loss) for the period</b>					<b>161,670</b>	<b>(191,645)</b>

### 6. Dividends

No dividends were declared or paid during the six month period ended 31 December 2016 (31 December 2015: 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 2016 annual financial report.

#### Loans to/ (from) related parties of key management personnel

	Balance 31 December 2016 \$	Balance 30 June 2016 \$	Interest paid and payable in the reporting period \$
Related parties of Executive Director Peter B White	(112,141)	5,895	-

#### Transactions with key management personnel

During the six months the Company has recognised:

Related parties of key management personnel	Transaction	31 December 2016 \$	31 December 2015 \$
Peter B White	License Fees – Mine	12,000	12,000
Peter B White	Management fees paid	29,156	36,264
Christopher J Hall	Accountancy & administration fees paid	39,875	35,430

### 8. Revenue

	31 December 2016 \$	31 December 2015 \$
Rental revenue	124,608	186,305
Interest received	17,933	31,815
Dividend received	186,181	90,155
Trust distributions received	3,763	5,120
Mining lease fee	12,000	12,000
	<b>344,485</b>	<b>325,395</b>

## Notes to the half-year financial statements

### 9. Investment properties

	31 December 2016 \$	30 June 2016 \$
Balance at beginning of period	2,394,000	2,394,000
Acquisitions	-	17,968
Fair value adjustments	-	(17,968)
Balance at period end	2,394,000	2,394,000

The carrying amount of the Thornton investment property is the fair value of the property as determined by the directors at the end of each reporting period by considering the aggregate net annual rents receivable from the property and applying a yield which reflects the specific risk inherent in the net cash flow. The yield applied for the Thornton property in the current period is 9.34% and for the comparative period is 9.21%.

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 2016 \$	30 June 2016 \$
Ordinary shares	6,540,662	5,924,517
Public trusts	93,895	99,263
Total	6,634,557	6,023,780

#### 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 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Ordinary shares	6,540,662	-	-	6,540,662
Public trusts	93,895	-	-	93,895
Total assets	6,634,557	-	-	6,634,557

# Pacific Mining Limited

ABN 64 000 140 938

30 June 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Ordinary shares	5,924,517	-	-	5,924,517
Public trusts	99,263	-	-	99,263
Total assets	6,023,780	-	-	6,023,780

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)

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values at 31 December 2016:

### CURRENT ASSETS

Trade and other receivables

Carrying amount \$	Fair value \$
23,238	23,238

### CURRENT LIABILITIES

Trade and other payables

Carrying amount \$	Fair value \$
140,630	140,630

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

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 2016 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 27th day of February 2017 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

We have reviewed the accompanying half-year financial report of Pacific Mining Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

### 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 2016 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 Pacific Mining 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.

### 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 Pacific Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.





## 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 Pacific Mining Limited 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 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO East Coast Partnership**

BDO  


**Kieran Gould**  
**Partner**

Sydney, 27 February 2017