



# Symbol Mining Limited (Subject to Deed of Company Arrangement)

## Consolidated Financial Report

FOR THE HALF YEAR ENDED 30 JUNE 2019

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## DEED ADMINISTRATORS' REPORT

On 12 June 2019, the directors of the of Symbol Mining Limited (Subject to Deed of Company Arrangement) (**Symbol** or the **Company**) appointed Mr Bryan Hughes and Mr Daniel Bredenkamp as joint and several administrators (**Administrators**) of the Company. The Company subsequently executed a Deed of Company Arrangement (**DOCA**) on 19 February 2020 and Mr Bryan Hughes and Mr Daniel Bredenkamp became joint and several administrators (**Deed Administrators**) of the Company. The DOCA was subsequently varied on 29 May 2020 and the Deed Administrators are currently working with the DOCA proponent, First Guardian Synergy Capital Pty Ltd (**FGSC**) to effectuate the DOCA in Q4 of CY2020.

Following appointment of the Administrators, the directors' powers were suspended and the Administrators assumed control of the Company's business, property and affairs. Accordingly, the Deed Administrators present the interim financial report of the consolidated entity (**Symbol Mining and its controlled entities or Group**) for the half year ended 30th June 2019 (**Report**).

### INCOMPLETE RECORDS

To prepare the Report, the Deed Administrators have reconstructed the financial records of the Group using the unreconciled management account information obtained from the Company at the date of the appointment of the Administrators. Whilst the directors have continued to assist the Administrators / Deed Administrators throughout the administration of the Company to date and have been provided a copy of the Report prior to publication, they were not responsible for its preparation. Given the Administrators / Deed Administrators were not in control of the Company for the entirety of the period, there may be information that they have not been able to obtain where the impact of which may or may not be material on the accounts.

The 31 December 2018 and 30 June 2018 comparatives are based on the Company's audited financial reports prepared and filed prior to the appointment of the Administrators and whilst the Company was under the control of the directors. The Group changed its presentation currency to US dollars effective 1 January 2019 and accordingly all comparatives in this report have been restated from the Group's former presentation currency of Australian Dollars.

### DIRECTORS

The names of directors of the Company in office during the financial year and up to the date of this report are:

<u>Name</u>	<u>Role</u>	<u>Term</u>
Mr Andrew Simpson	Non-Executive Chairman	Appointed 18 December 2017
Mr Barry Bolitho	Non-Executive Director	Appointed 18 December 2017
Mr Anthony McIntosh	Non-Executive Director	Appointed 30 January 2018
Mr Tim Wither	Managing Director & CEO	Appointed 28 February 2019
Mr Ian McCubbing	Non-Executive Director	Appointed 18 December 2018 (resigned 28 February 2019)

As noted above, following appointment of the Administrators, the directors' powers were suspended and the Administrators assumed control of the Company's business, property and affairs.

### PRINCIPAL ACTIVITIES

The principal activity of the Group is exploration and production of mineral resources in Nigeria.

### REVIEW OF RESULTS

The consolidated operating loss after tax for the half year ending 30 June 2019 was US\$12,255,677 (30 June 2018: loss of US\$2,568,684).

### DIVIDENDS

No dividends have been declared in relation to the half year ended 30 June 2019 (30 June 2018: \$nil).

## REVIEW OF OPERATIONS

### PROJECT OVERVIEW AND PRINCIPLE ACTIVITIES

At 30 June 2019, Symbol Mining had 60% interests in two base metals projects – the Imperial Joint Venture (**Imperial JV**) and the Tawny Joint Venture (**Tawny JV**) – which are located in the Benue Trough of north-eastern Nigeria. The Benue Trough is a sedimentary basin that extends from the Gulf of Guinea in the south-west to the Chad Basin in the northwest for approximately 800km in length and 150km in width.

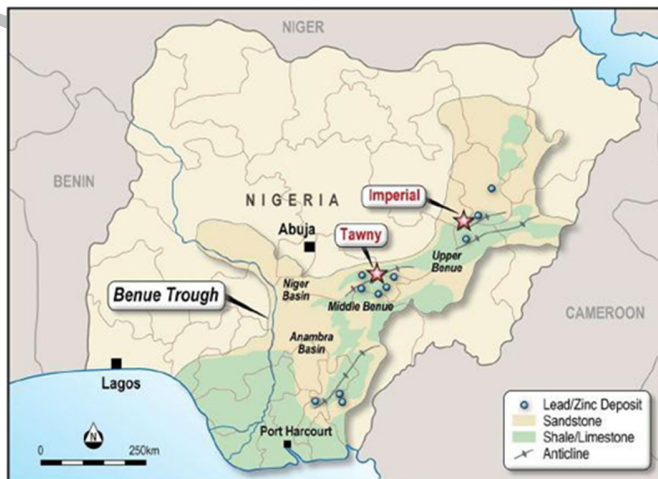


Figure 1: Benue Trough and Project locations

Lead sulphide and zinc sulphide (with varying amounts of silver and barite) mineralisation in the Benue Trough has been of economic interest for more than a century. Mineralisation is located along a north-east trending belt extending approximately 800km within the Benue Trough, and a thick sequence of slightly deformed and weakly metamorphosed sedimentary Cretaceous sequences up to 5km thick.

The known mineralisation consists of structurally controlled, discordant high-grade sphalerite (zinc sulphide) and galena (lead sulphide) veins. The known prospects are fault controlled veins that have many of the characteristics of significant Zn/Pb/Ag deposits described as poly metallic or clastic hosted veins.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

### PRODUCTION ISSUES AT MACY PROJECT

During the period the Group continued mining operations at the Macy Project, however the Group failed to meet production levels that would support its ongoing costs and accordingly it remained reliant on additional external funding to maintain operations.

The directors advised the Deed Administrators that the dramatic and unforeseen change in the market circumstances over the period, including a strong decline in the global price for Zinc as well as an increase in concentrate processing costs in China from their previously provided estimates further worsened the Group's position, leading it to incur a dramatic reduction in net revenue from all forecasted production. The directors of the Company have further advised the Deed Administrators that should the Company have operated at full capacity meeting production target levels, the costs of operation would still have exceeded its net revenue based on the Zinc price during the period.

### WORSENING FINANCIAL POSITION AND APPOINTMENT OF THE ADMINISTRATORS

In March and April 2019, the Company successfully raised approximately US\$1.2M via a capital raising announced on 20 March 2019. Despite the raising, the Administrators' understand that prior to their appointment, the Company remained in protracted discussions with its major shareholder, major creditor, offtake and marketing partner, Noble Group Holdings Limited (**Noble**) to provide the Company and its subsidiaries with the short-term funding required to restructure its affairs in light of the delays to reach commercial production at the Macy project. It is understood that the Company was unable to agree to satisfactory terms with Noble and in the absence of any other available funding, the Directors subsequently formed the view that the Company was insolvent, or likely to become insolvent.

Following the appointment of the Administrators, Noble agreed to provide a short-term finance facility of US\$600,000 to the Company for the purpose of preserving the Group's assets and operations whilst the Administrators sought to realise upon the assets.

The Company's shares were suspended from official quotation on the ASX pursuant to an application for voluntary suspension which was lodged by Symbol shortly before the appointment of the Administrators on 15 May 2019.

## MATTERS SUBSEQUENT TO THE REPORTING DATE

### SALE OF IMPERIAL JV

On 12 September 2019, the sale of Symbol Mining's interest in the Imperial JV was completed to a subsidiary of Noble for total consideration of approximately US\$1.3M. At the date of the Report, Symbol Mining retains its interest in the Tawny JV and its other subsidiaries.

### EXECUTION OF DEED OF COMPANY ARRANGEMENT

On 29 January 2020 the creditors and employees of Symbol resolved that the Company execute a DOCA. The Company subsequently executed a DOCA on 19 February 2020 with DOCA proponent, Celtic Capital Pty Ltd (**Celtic**). Following failure to meet certain conditions precedent to the DOCA and abandonment of a transaction by Celtic on 13 May 2020, the DOCA was subsequently varied on 29 May 2020 and the Deed Administrators are currently working with a new DOCA proponent, FGSC to effectuate the DOCA in Q4 of CY2020. The material terms of the DOCA are set out in Note 9 to the Notes to the Financial Statements.

FGSC has advised the Deed Administrators' that it intends to provide a draft notice of a meeting of shareholders (**Notice of Meeting**) for the Deed Administrators' review prior to submission to ASIC and the ASX. The Notice of Meeting will detail the restructuring of the Company under the varied DOCA. It will be mailed to shareholders in the coming month once regulatory approval has been received for same.

## AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

### 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 the independent auditor's review report.

During the financial year BDO Audit (WA) did not perform any other services in addition to their statutory duties.



Bryan Hughes  
Joint and Several Deed Administrator  
Perth, Western Australia  
27 August 2020



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 SYMBOL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
 AND ITS CONTROLLED ENTITIES  
 FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Notes	30 June 2019 US\$	30 June 2018 US\$
Revenue from continuing operations			
Other income		10	-
<b>Total revenue from continuing operations</b>		<b>10</b>	<b>-</b>
Administration expenses		(1,815,698)	(950,119)
Exploration site administration expense		(1,246,114)	(150,336)
Depreciation		-	(15,796)
Impairment		(8,787,077)	-
Share based payments		-	(461,236)
Travel and accommodation		(146,925)	(225,474)
Interest and borrowing expenditure		(259,875)	(1,025)
<b>Profit / (loss) before income tax</b>		<b>(12,255,677)</b>	<b>(1,803,987)</b>
Income tax benefit / (expense)		-	-
<b>Profit / (loss) after income tax from continuing operations</b>		<b>(12,255,677)</b>	<b>(1,803,987)</b>
<b>Loss for the period is attributable to:</b>			
Owners of Symbol Mining Ltd		(6,462,975)	(1,881,310)
Non-controlling interests		(5,792,702)	77,323
		<b>(12,255,677)</b>	<b>(1,803,987)</b>
Basic earnings / (loss) diluted earnings / (loss) per share from continuing operations	6	(0.0099)	(0.0038)
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		-	104,098
<b>Total comprehensive loss for the period</b>		<b>(12,255,677)</b>	<b>(1,699,889)</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Owners of Symbol Mining Ltd		(6,462,975)	(1,871,093)
Non-controlling interests		(5,792,702)	171,204
		<b>(12,255,677)</b>	<b>(1,699,889)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 SYMBOL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
 AND ITS CONTROLLED ENTITIES  
 FOR THE HALF-YEAR ENDED 30 JUNE 2019

		30 June 2019	31 Dec 2018
	Notes	US\$	US\$
Current assets			
Cash and cash equivalents		253,664	12,205
Trade and other receivables		-	77,019
Assets held for sale	2	1,319,726	-
<b>Total current assets</b>		<b>1,573,390</b>	<b>89,224</b>
Non-current assets			
Deferred tax asset		-	3,623
Exploration and evaluation assets	2	-	1,438,398
Property, plant and equipment	2	-	634,685
Mine development assets	2	-	5,913,799
<b>Total non-current assets</b>		<b>-</b>	<b>7,990,505</b>
<b>Total assets</b>		<b>1,573,390</b>	<b>8,079,729</b>
Current liabilities			
Trade and other payables	3	3,845,212	2,665,913
Tax liability	3	-	61,102
Provisions	3	929,521	61,561
Loans and borrowings	3	5,862,713	3,004,232
<b>Total current liabilities</b>		<b>10,637,446</b>	<b>5,792,808</b>
Non-current liabilities			
Provisions		-	167,234
<b>Total non-current liabilities</b>		<b>-</b>	<b>167,234</b>
<b>Total liabilities</b>		<b>10,637,446</b>	<b>5,960,042</b>
<b>Net assets/(liabilities)</b>		<b>(9,064,055)</b>	<b>2,119,687</b>
Shareholders' equity			
Contributed equity	4	11,104,716	10,032,781
Reserves		835,677	835,677
Accumulated losses	5	(14,596,607)	(8,133,632)
Capital and reserves attributed to owners of Symbol Mining Ltd (Subject to Deed of Company Arrangement)		(2,656,214)	2,734,826
Non-controlling interests		(6,407,841)	(615,138)
<b>Total equity/(deficiency in equity)</b>		<b>(9,064,055)</b>	<b>2,119,687</b>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 SYMBOL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
 AND ITS CONTROLLED ENTITIES  
 FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Contributed equity	Accumulated losses	Reserves	Total attributable to owners of the parent	Non- controlling Interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance 1 Jan 2018	8,052,295	(5,237,501)	(14,231)	2,800,563	423,728	3,224,291
Loss for the period	-	(1,881,310)	-	(1,881,310)	77,323	(1,803,987)
Other comprehensive loss- exchange difference in foreign entities	-	-	10,217	10,217	93,881	104,098
Total comprehensive income/(loss)	-	(1,881,310)	10,217	(1,871,093)	171,204	(1,699,889)
Shares issued net of transaction costs	1,254,111	-	-	1,254,111	-	1,254,111
Share based payments	-	-	461,236	461,236	-	461,236
Balance at 30 June 2018	9,306,406	(7,118,811)	457,221	2,644,817	594,932	3,239,749
<b>Balance at 1 January 2019</b>	<b>10,032,781</b>	<b>(8,133,632)</b>	<b>835,677</b>	<b>2,734,826</b>	<b>(615,138)</b>	<b>2,119,687</b>
Loss for the period	-	(6,462,975)	-	(6,462,975)	(5,792,702)	(12,255,677)
Other comprehensive loss - exchange difference in foreign entities	-	-	-	-	-	-
<b>Total comprehensive income/ loss</b>	<b>-</b>	<b>(6,462,975)</b>	<b>-</b>	<b>(6,462,975)</b>	<b>(5,792,702)</b>	<b>(12,255,677)</b>
Shares issued net of transaction costs	1,071,935	-	-	1,071,935	-	1,071,935
Share based payments	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>11,104,716</b>	<b>(14,596,607)</b>	<b>835,677</b>	<b>(2,656,214)</b>	<b>(6,407,841)</b>	<b>(9,064,055)</b>

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



CONSOLIDATED STATEMENT OF CASH FLOWS  
SYMBOL MINING LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
AND ITS CONTROLLED ENTITIES  
FOR THE HALF-YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	US\$	US\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(2,183,974)	(1,496,980)
Interest paid	(388)	(1,025)
<b>Net cashflows from operating activities</b>	<b>(2,184,362)</b>	<b>(1,498,005)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(344,239)
Payments for exploration and evaluation expenditure	(1,246,114)	(1,337,452)
Security deposit	-	(17,494)
<b>Net cashflows from investing activities</b>	<b>(1,246,114)</b>	<b>(1,699,184)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares net of costs	1,071,935	1,241,805
Repayment of borrowings	-	(145,017)
Proceeds from borrowings	2,600,000	-
<b>Net cashflows from financing activities</b>	<b>3,671,935</b>	<b>1,096,788</b>
Net decrease in cash and cash equivalents	241,459	(2,100,402)
Cash and cash equivalents at beginning of period	12,205	2,576,999
Effect of exchange rate changes on cash and cash equivalents	-	(7,046)
<b>Cash and cash equivalents at end of period</b>	<b>253,664</b>	<b>469,551</b>

## PREFACE TO THE NOTES

### NOTE 1 – BASIS OF PREPARATION

Symbol Mining Limited (Subject to Deed of Company Arrangement) is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company was a lead and zinc explorer, developer and producer with operations in Nigeria.

#### 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, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets and liabilities.

This half year report does not include the full disclosure of the type normally included in an annual financial report. Therefore, it can not be expected to provide a full understanding of the financial performance, financial position and cash flows of the Company as in a full financial report.

It is recommended this report be read in conjunction with the Company's annual financial report for the year ended 31 December 2018 and any public announcements made by the Company during the half year in accordance with the Company's continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies adopted in preparation of this interim report are consistent with those followed in preparation of the Group's annual consolidated financial reports for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective 1 January 2019, applied retrospectively. The adoption of these standards and interpretations has no material impact on the Group's accounts.

#### b) Incomplete records

The management and affairs of the Company and all its controlled entities have not been under the control of the Directors of the Group since it entered into voluntary administration on 12 June 2019. For the period in which the Company was not in administration, the Deed Administrators did not have oversight or control over the Group's financial reporting systems, including being able to access complete accounting records.

To prepare the financial report, the Deed Administrators have reconstructed the financial records of the Company using data extracted from the Group's accounting systems and the record of receipts and payments during the administration of the Company and relied on information provided by in country management of the subsidiaries for the period from their appointment.

Although due care has been taken in preparing the financial statements, based on the information available, it is not possible to state that the financial information is complete or accurate. Neither is it possible to state that the financial information was subject to the accounting and internal control processes that are relevant to the preparation and fair presentation of the financial reports.

Consequently, although the Deed Administrators have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Act, nor is it possible to state this financial report gives a true and fair view of the Group's financial position.

The 31 December 2018 and 30 June 2018 comparatives are based on the Company's audited financial reports prepared and filed prior to the appointment of the Administrators and whilst the Company was under the control of the directors. Where there has been insufficient information to prepare notes to the accounts, no notes have been provided.

c) Going concern

For the period ended 30 June 2019 the consolidated entity recorded a loss of \$12,255,677 and had net cash outflows from operating activities of \$2,184,362. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Subsequent to period end on 29 January 2020 the creditors and employees of Symbol resolved that the Company execute a DOCA. The Company subsequently executed a DOCA on 19 February 2020 with DOCA proponent, Celtic. Following failure to meet certain conditions precedent to the DOCA and abandonment of a transaction by Celtic on 13 May 2020, the DOCA was subsequently varied on 29 May 2020 and the Deed Administrators are currently working with a new DOCA proponent, FGSC to effectuate the DOCA in Q4 of CY2020.

FGSC advises that a notice of meeting detailing the restructuring of the Company under the varied DOCA will be mailed to shareholders in the coming weeks. The material terms to the DOCA, which were previously presented to the Company's creditors in the Deed Administrators' report to creditors dated 15 May 2020, are as follows:

- a. All liabilities of the Company as at effectuation of the DOCA being released and compromised;
- b. The Company's remaining assets, including its interests in its subsidiaries, being excised from the Group to a creditors' trust (to be established by the Deed Administrators prior to effectuation);
- c. FGSC making a payment of \$210,000 (**Proponent Payment**) to the Deed Administrators for distribution in accordance with the terms of the creditors' trust deed. At the date of this report, \$50,000 of the Proponent Payment has been received, following satisfaction of a condition precedent to the DOCA in respect of Noble approval for the compromise of its debt;
- d. The consolidation of the Company's existing shares on approximately a 2000 to 1 basis;
- e. The issuance of post-consolidated shares and options as follows:
  - i. 400,000 ordinary shares to the creditors' trust for distribution in accordance with the terms of the creditors' trust deed in consideration for a compromise and release of creditor claims against the Company;
  - ii. 1,350,000 ordinary shares to Noble in consideration for its compromise and release of the balance of its outstanding post-appointment, administration loan;
  - iii. 1,750,000 ordinary shares plus one free attaching option to FGSC or nominee in consideration for a capital raising required to meet the costs associated with implementing the restructuring of the Company and providing the Company with sufficient working capital post-effectuation of the DOCA.
- f. Replacement of the Company's directors for nominees of FSGC; and
- g. Regulatory and shareholder approval that may be required for the consolidation and issuance contemplated in the DOCA.

Notwithstanding the above, the ability of the consolidated entity to continue as a going concern is dependent on securing additional funding through debt or equity to complete the recapitalisation. Since the recapitalisation is incomplete at the date of this report, there is significant uncertainty as to whether the Company will continue as a going concern and whether it will extinguish its liabilities in accordance with the terms of the DOCA to return it to solvency.

In light of this, the financial report contains adjustments relating to the recoverability and classification of recorded assets to the amounts of classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

NOTE 2 – ASSETS HELD FOR SALE

On 12 September 2019, the sale of Symbol Mining's interest in the Imperial JV, which held the Group's primary operating asset, was completed to a subsidiary of Noble for total consideration of approximately US\$1.3M. It is noted that immediately following the appointment of the Administrators, the Company commenced marketing its mining interests for sale and/or recapitalisation. Accordingly, at the date of this report, the carrying values of : Plant, Property and Equipment; Mine Development Assets; and Exploration and Evaluation Assets were impaired to their respective realizable values and transferred to Assets Held for Sale.

At the date of this report, Symbol retains its interest in the Tawny JV and its other subsidiaries; however, given the company has been unable to realise upon these assets in the period since the commencement of the administration, the interests in the subsidiary assets have been impaired to nil at the date of this report.

#### NOTE 3 – CURRENT LIABILITIES

The Group's liabilities are based on the Group's historical management accounts, except for the liabilities of Symbol, which have been adjusted for any additional claims that have been submitted in the administration to date.

All employees of Symbol were terminated on or before 30 June 2019 and the provisions balance represents the redundancy entitlements calculated by the Deed Administrators. The Group's foreign subsidiary, Imperial JV, continued to employ staff at 30 June 2019 and accordingly, its entitlements in respect of these employees are based on the Group's historical management accounts.

#### NOTE 4 – CONTRIBUTED EQUITY

	30 June 2019		31 Dec 2018	
	Number	US\$	Number	US\$
<b>Ordinary Shares - fully paid</b>	<b>715,785,131</b>	<b>11,104,716</b>	<b>584,925,131</b>	<b>10,032,781</b>
<b>Movements in ordinary share capital</b>				
Opening Balance	584,925,131	10,032,781	481,425,131	8,052,295
Issue of shares in lieu of services	-	-	3,500,000	73,742
Issue of shares pursuant to a placement offer	130,860,000	1,155,385	100,000,000	2,106,900
Cost of the share issues	-	(83,450)	-	(200,156)
Closing balance	715,785,131	11,104,716	584,925,131	10,032,781

#### NOTE 5 – ACCUMULATED LOSSES

	30 June 2019	31 Dec 2018
	US\$	US\$
Balance as at 1 January	(8,133,632)	(4,357,462)
Net Loss	(6,462,975)	(3,776,170)
<b>Balance as at 30 June</b>	<b>(14,596,607)</b>	<b>(8,133,632)</b>

#### NOTE 6 – EARNINGS PER SHARE

	30 June 2019	30 June 2018
	US\$	US\$
Earnings per share from continuing operations		
Profit / (loss) after income tax from continuing operations	(6,462,975)	(1,892,383)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	652,520,932	494,667,885
Adjustments for calculation of diluted earnings per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share	652,520,932	494,667,885
	Cents	Cents
Earnings per share attributable to ordinary equity holders of the Company		
<b>Basic/Diluted earnings/(loss) per share</b>	<b>(0.0099)</b>	<b>(0.0038)</b>

## NOTE 7 – SUBSIDIARIES

The consolidated financial statements include the financial statements of Symbol and the subsidiaries listed in the following table:

Subsidiary	Country of incorporation	Functional currency	2019	2018
			%	%
Symbol Mining Corporation Pty Ltd	Australia	AUD	100	100
Symbol Base Metals Pty Ltd	Australia	AUD	100	100
Symbol Base Metals UK Ltd	United Kingdom	USD	100	100
Symbol Mining Nigeria Ltd	Nigeria	Naira	100	100
Imperial JV Ltd	Nigeria	Naira	60	60
Tawny JV Ltd	Nigeria	Naira	60	60

### Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Symbol as at 30 June 2019, and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of an asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Consolidated Entity.

As detailed in the events subsequent to reporting date (Note 9), on 12 September 2019 the Company's interest in Imperial JV Ltd was sold to a subsidiary of Noble. If the varied DOCA is completed with FGSC, the Company will divest its interests in all other subsidiaries to the creditors' trust.

## NOTE 8 – COMMITMENTS AND CONTINGENT LIABILITIES

There have been no known changes in commitments or contingencies as at 30 June 2019 to that disclosed in the Group's 31 December 2018 annual financial report.

## NOTE 9 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

### SALE OF IMPERIAL JV

On 12 September 2019, the sale of Symbol Mining's interest in Imperial JV was completed to a subsidiary of Noble for consideration totaling US\$1.3M. At the date of this report, Symbol Mining retains its interest in the Tawny JV and all other subsidiaries of the Group.

### EXECUTION OF DEED OF COMPANY ARRANGEMENT

On 29 January 2020 the creditors and employees of Symbol resolved that the Company execute a DOCA. The Company subsequently executed a DOCA on 19 February 2020 with DOCA proponent, Celtic Capital Pty Ltd (**Celtic**). Following failure to meet certain conditions precedent to the DOCA and abandonment of a transaction by Celtic on 13 May 2020, the DOCA was subsequently varied on 29 May 2020 and the Deed Administrators are currently working with a new DOCA proponent, FGSC to effectuate the DOCA in Q4 of CY2020.

FGSC has advised the Deed Administrators' that it intends to provide a draft notice of a meeting of shareholders (**Notice of Meeting**) for the Deed Administrators' review prior to submission to ASIC and the ASX. The Notice of Meeting will detail the restructuring of the Company under the varied DOCA. It will be mailed to shareholders in the coming month once regulatory approval has been received for same.

## DEED ADMINISTRATORS' DECLARATION

This report and the financial information largely relates to a prior period to the Administrators / Deed Administrators' appointment and by necessity the Deed Administrators' had to rely upon the books and records of the Company and its subsidiaries, its staff and external service providers in this report and the financial accounts. All due care has been taken in preparing the Report and financial information, however, the Deed Administrators' cannot give warranties in relation to the information in this report.

The Deed Administrators further note the Company's auditors make clear that they cannot vouch for the correctness or completeness of any of the information used in preparing this report. This report should not be relied on in making decisions about the Company.

Subject to the previous paragraph and set out in Note 1(b) to the Consolidated financial statements, in the opinion of the Deed Administrators of Company:

- a) Although the Deed Administrators have taken all due care in preparing the Report and the financial statements to the best of their knowledge based on the information given to them, they are of the opinion that it is not possible to state that the Consolidated financial statements and Notes of the Company are in accordance with the Act, including:
  - i. giving a true and fair view of the financial position as at 30 June 2019 and the performance for the half-year ended on that date of the consolidated entity; and
  - ii. complying with Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial statements and notes also do not fully comply with International Financial Reporting Standards as disclosed in note 1(a) given the Company's incomplete records make full compliance not possible; and
- c) As at the date of this Report, the Deed Administrators' do not have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, unless there is a successful implementation of the DOCA. That is, if the DOCA is not effectuated, then the Company is not in a position to pay its debts as and when they become due and payable.

The Deed Administrators' provide this report in accordance with the powers provided to them in the varied DOCA approved by creditors on 29 May 2020.



Bryan Hughes  
Joint and Several Deed Administrator  
Perth, Western Australia  
27 August 2020



DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DEED ADMINISTRATORS OF SYMBOL MINING LIMITED

As lead auditor for the review of Symbol Mining Limited for the half-year ended 30 June 2019, 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.

This declaration is in respect of Symbol Mining Limited and the entities it controlled during the period.



Dean Just  
Director

BDO Audit (WA) Pty Ltd  
Perth, 27 August 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Symbol Mining Limited

### Report on the Half-Year Financial Report

#### Disclaimer of conclusion

We were engaged to review the half-year financial report of Symbol Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Deed Administrators' declaration.

We do not express a conclusion on the accompanying financial report of the Company. Because of the significance of the matters described in the Basis for disclaimer of conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this financial report.

#### Basis for disclaimer of conclusion

On the 12 June 2019, Symbol Mining Limited was placed into Administration (subject to a Deed of Company Arrangement ("DOCA")). We have been unable to obtain sufficient appropriate audit evidence on the books and records and basis of accounting of the Group. Specifically, we have been unable to satisfy ourselves on the following areas:

- i) As stated in Note 1(b), for the period in which the Group was not in administration, the Deed Administrators did not have oversight or control over the Group's financial reporting systems, including being able to access complete accounting records. Due to the timing of the half-year review, we were therefore unable to obtain access to the complete books and financial records of the subsidiary for the period ended 30 June 2019.
- ii) As disclosed in note 1(c), the Group recorded a loss of \$12,255,677 for the half year ended 30 June 2019 and had net cash outflows from operating activities of \$2,184,362. The ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity to complete the recapitalisation. Since the recapitalisation is incomplete at the date of this report, there is significant uncertainty as to whether the Group will continue as a going concern and whether it will extinguish its liabilities in accordance with the terms of the DOCA to return it to solvency.

At the date of this report, we are unable to obtain sufficient appropriate audit evidence as to whether the Group may be able to obtain the additional funding and extinguish its liabilities in accordance with the terms of the DOCA, and hence remove significant doubt of its ability to continue as a going concern within twelve months of the date of this auditor's report.

As a result of the matters stated above, we were unable to determine whether any adjustments might have been found necessary in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements for the half year ended 30 June 2019.

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report

#### Responsibility of the Deed Administrators for the financial report

The Deed Administrators 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 Deed Administrators 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. However, because of the matter described in the Basis for disclaimer of conclusion section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the financial report. 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.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 27 August 2020

## CORPORATE DIRECTORY

### DEED ADMINISTRATORS

Bryan Hughes  
Joint and Several Deed Administrator

Daniel Bredenkamp  
Joint and Several Deed Administrator

### DIRECTORS

Tim Wither  
Managing Director and CEO

Barry Bolitho  
Non-Executive Director

Andrew Simpson  
Non-Executive Chairman

Anthony McIntosh  
Non-Executive Director

### COMPANY SECRETARY

Patrick McCole

### REGISTERED OFFICE

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Telephone: +61 8 9382 8816

### MAILING ADDRESS

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Perth WA 6000

### ASX CODE

SL1

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Perth WA 6000

### AUDITOR

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38 Station Street  
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