



MARiNDiMETALS_{LTD}

ABN 84 118 522 124

INTERIM REPORT

31 DECEMBER 2017

MARINDI METALS LIMITED

ABN 84 118 522 124

Interim Report for the half-year ended 31 December 2017

Contents	Page
Directors' Report	3
Auditor's Independence Declaration	6
Interim Financial Report	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Condensed Notes to the Consolidated Financial Statements	11
Directors' Declaration	15
Independent Auditor's Review Report	16

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Marindi Metals Limited (the **Company**) and its controlled entities (the **Group**) for the six months ended 31 December 2017 and the auditor's review report thereon:

1. DIRECTORS

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

Name	Period of directorship
Mr John Hutton <i>Non-Executive Chairman</i>	Director since 15 December 2010, appointed Chairman 3 November 2017
Mr Joseph Treacy <i>Managing Director</i>	Director since 6 July 2015
Mr Geoffrey Jones <i>Non-Executive Director</i>	Director since 24 February 2006
Mr Ross Ashton <i>Non-Executive Director</i>	Director and Chairman since 6 July 2015, retired 3 November 2017

2. RESULTS

The loss of the consolidated entity for the half-year was \$2,794,947 (2016: \$1,394,335).

3. REVIEW OF OPERATIONS

Forrestania Lithium Project (Marindi 100%)

During the Half Year to December 2017 Marindi collected approximately 4,000 samples over the priority 1 target areas at Forrestania in the period from mid-October to late December 2017. Sample results have outlined significant anomalies indicative of pegmatitic origin at the South Ironcap and Mt Hope areas (see ASX Releases dated 21 December 2017 and 11 January 2018). Infill and extension sampling of anomalous areas is currently underway and results are expected shortly. During the quarter, exploration licence EL 74/591 was granted and a decision was made to extend the sampling to cover this western tenement whilst the crew was onsite. This work commenced on 10 January 2018 and is expected to be completed in a few weeks. Once the data from sampling has been received and interpreted a program of work (POW) will be submitted with drilling scheduled to commence in March 2018.

Newman Base Metal Project (Marindi 100%)

During the Half Year to December 2017 Marindi completed a successful 5,726m reverse circulation scout drilling program along the Prairie Downs Fault Zone (see ASX releases dated 30 October 2017 and 11, 16 and 27 November 2017). The program at Husky and Husky South has confirmed continuous base metal mineralisation along 1.6km of the PDF. All RC holes drilled to test the PDFZ were mineralised to some degree ranging from 42m @ 0.3%Pb in hole PDP457 to intersections up to 3m @ 25% Pb and 165 g/t Ag in hole PDP456.

Husky and Husky South are interpreted to form part of the same lead-dominated system but drilling also intersected weak to moderate zinc and copper dominated mineralisation. Drill hole PDP462 intersected chalcopyrite and bornite mineralisation with 9m @ 0.6% Cu from 101m, including 1m @ 3.1% Cu and 0.12 g/t Au from 109m. The dominance of lead-silver over zinc and the presence of copper as bornite indicate a change in the nature of the sulphide system at Husky compared with the zinc-lead dominated sulphide mineralisation at the Prairie deposit 8km to the south. Husky South also returned further anomalous gold values with the best result being 16m @ 0.28g/t Au from hole PDP461 including 4m @ 0.55g/t Au

Conglomerate Gold Potential

The recent Pilbara gold exploration success by Novo Resources Group and Artemis Resources Limited has led to a new appreciation of the potential of Archaean conglomerates to host gold mineralisation. Marindi conducted a review of its extensive tenement holdings in the Pilbara and reported the following preliminary findings (refer ASX release dated 3 October 2017):

- The basal members of Fortescue Group, in which all of the recent conglomerate hosted gold discoveries occur have been mapped over a strike length of at least 60kms.
- The Hardey Formation, which is underlain by the Mt Roe basalt in the Western Pilbara is mapped as unconformably overlying granitic basement represented by the Sylvania Dome.

- A quartz pebble conglomerate unit has been mapped by previous explorers whilst investigating the Jillary Well uranium occurrence. This unit occurs close to the Sylvania Dome unconformity.
- The historic alluvial field at Deadman's Flat nearby (see ASX Release dated 20 June 2016) for which the primary source has never been identified, may lie within the Hardey Formation.

Field work in October subsequently confirmed the presence of conglomeratic units within the Hardey Formation at or near the Archaean Sylvania Dome contact (refer ASX release dated 31 October 2017). Marindi geologists have now identified the Hardey Formation over approximately 60 strike kilometres at the project, confirming previously mapped interpretations. Open file data is currently being compiled prior to the designing of a creek sampling program.

Bellary Dome Gold Project (Marindi 100%)

During the Half Year to December 2017 Marindi acquired the Bellary Dome gold-in-conglomerate prospect from Bacome Pty Ltd (see ASX Releases dated 10 and 20 November 2017). This granted tenement hosts a known gold bearing conglomerate, located 4km north of the township of Paraburdoo, which has been worked historically for alluvial gold with extensive dry blowings, detector diggings and pitting over an area of approximately 600m by 100m. This gold bearing conglomerate is one of several conglomerate horizons mapped within the tenement and has been traced for approximately 3km.

EL 47/3555 is located on the Bellary Dome and covers approximately 25km of the basal contact of the Mt Roe Basalt where it conformably overlies the Bellary Formation. The Bellary Formation is described by the Geological Survey of Western Australia (GSWA) as the lowermost unit of the Fortescue Group the recent discoveries of Novo Resources/Artemis Resources at Purdy's Reward occur in conglomeratic beds interbedded with sandstone units lying conformably below the Mt Roe Basalt and Marindi believes this to be the equivalent position of the Bellary Formation.

The prospectivity of the tenement is further highlighted by the presence of numerous alluvial gold workings, prospecting pits with gold values up to 22g/t Au and recent modern gold prospecting activity. Marindi personnel panned coarse gold from creeks draining the auriferous conglomerate.

Marindi is currently compiling and reviewing past exploration data from the project, including information from the vendor, Bacome Pty Ltd ("Bacome"). Exploration undertaken in 2002 sampled an area measuring 300m by 600m towards the western end of the tenement, collecting 19 limonite nodule rock samples from float and outcrop which ranged in grade from 0.5g/t Au up to 7.4 g/t Au and contained anomalous PGEs of up to 0.55 g/t Pt.

The Bellary Dome occurs on the southern edge of the Hamersley Basin where formations of the Lower Fortescue Group occur and the recent discoveries of gold-in-conglomerate occur on the northern margin of the basin. Marindi believes the southern margin is equally prospective and the Bellary Dome project represents one of more prospective areas. Tenements neighbouring EL 47/3555 are held by companies also conducting exploration for gold-in-conglomerate, including Novo, Southern Hemisphere Resources and Hardey Resources whereas most tenements in the Southern Pilbara remain in the hands of predominantly iron ore-focused companies

Bacome flew a detailed (50m line spacing) aeromagnetic survey over the entire tenement, which also collected radiometric data. This radiometric data has been reprocessed, and an initial appraisal by Marindi indicates an association of radiometric anomalism with known outcrops of conglomerate. In South Africa, the Witwatersrand gold-in-conglomerate deposits have strong radiometric signatures due to the presence of detrital uraninite (a uranium oxide), which is closely associated with the gold mineralisation within the conglomerate. The literature also notes the presence of PGEs within the South African deposits which co-incidentally are also present at Bellary Dome.

Northern Territory Projects

Yalco JV – Teck earning 70%

Teck completed a diamond drill test of the Pine Creek target during the Half Year to December 2017 and subsequent assaying of the core did not return any anomalous base metal values. Teck is yet to formulate its exploration program for the coming year.

Caranbirini Project (Marindi 100%)

No field work was completed during the Half Year to December 2017 although EL31424 was granted allowing the Company to commence gravity and soil coverage of the tenement once the wet season finishes. The Company continued discussions with interested third parties during the quarter and progressed access agreements with key stakeholders in the area. The Company's Caranbirini tenements are highly strategic and represent the only significant exploration tenure located on the key Emu Fault Corridor near the world-class McArthur River zinc mine that is not controlled by a major mining group.

Corporate

Successful Capital Raising

On 8 December 2017 Marindi announced a capital raising for a total amount of \$4.4m (before costs) comprising a placement for \$1.31m and a fully underwritten 1 for 6 entitlement issue for \$3.05m. The placement component was completed on 19 December 2017 with 109,057,649 shares issued at 1.2c. The entitlement issue closed on 23 January 2018 and all shares under the entitlement issue, including shortfall shares, were issued on 31 January 2018. Marindi's issued capital is currently 1,780,460,460,084 shares.

The success of this capital raising represents a strong vote of confidence in the potential of Marindi's exploration projects in Western Australia and the Northern Territory and leaves the Company well-funded to advance exploration activity across its portfolio.

Retirement of Chairman and Annual General Meeting

The Company held its Annual General Meeting on 3 November 2017. All resolutions were passed on a show of hands. Mr Ross Ashton announced his retirement as Chairman of the Company and was succeeded in the role by Non-Executive Director Mr John Hutton.

Competent Person Reference

Information in this report that relates to Exploration Results is based on information prepared by Mr Joseph Treacy who is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Treacy is an employee of Marindi Metals Ltd. Mr Treacy has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Treacy consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Some statements in this report regarding future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as "potential", "target", "scheduled", "planned", "estimate", "possible", "future", "prospective" and similar expressions.

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Dated at Perth, Western Australia, this 13th day of March 2018.

Signed in accordance with a resolution of the directors:



John Hutton
Non-Executive Chairman

13 March 2018

The Directors
Marindi Metals Limited
PO Box 231,
West Perth, WA, 6872

Dear Sirs

RE: MARINDI METALS 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 Marindi Metals Limited.

As Audit Director for the review of the financial statements of Marindi Metals Limited for the period ended 31 December 2017, 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
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
Income	8	590,197	329,690
Exploration and evaluation expenses written off	9	(2,757,772)	(996,510)
Corporate and administrative expenses		(627,372)	(727,515)
Loss before income tax		(2,794,947)	(1,394,335)
Income tax		-	-
Net loss for the period		(2,794,947)	(1,394,335)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(2,794,947)	(1,394,335)
Net loss attributable to the members of parent entity		(2,794,947)	(1,394,335)
Total comprehensive loss attributable to the members of parent entity		(2,794,947)	(1,394,335)
Basic loss per share			
Ordinary shares (cents)		(0.22)	(0.12)

Diluted loss per share is not shown as all potential ordinary shares on issue would decrease the loss per share and are thus not considered dilutive.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		1,799,167	2,574,625
Trade and other receivables		128,598	47,419
Prepayments		37,612	56,870
Total Current Assets		1,965,377	2,678,914
NON-CURRENT ASSETS			
Trade and other receivables		46,971	44,370
Property, plant and equipment		24,781	29,198
Capitalised exploration and evaluation expenditure	9	5,119,591	4,143,784
Total Non-Current Assets		5,191,343	4,217,352
TOTAL ASSETS		7,156,720	6,896,266
CURRENT LIABILITIES			
Trade and other payables		1,278,790	1,099,872
Provisions		37,839	19,969
TOTAL LIABILITIES		1,316,629	1,119,841
NET ASSETS		5,840,091	5,776,425
EQUITY			
Issued capital	10	34,119,599	31,270,179
Reserves		1,675,323	1,666,130
Accumulated losses		(29,954,831)	(27,159,884)
TOTAL EQUITY		5,840,091	5,776,425

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

31 December 2017	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2017	31,270,179	1,666,130	(27,159,884)	5,776,425
Net loss for the period	-	-	(2,794,947)	(2,794,947)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,794,947)	(2,794,947)
Issue of share capital, net of costs	2,849,420	-	-	2,849,420
Share based payments	-	9,193	-	9,193
Balance as at 31 December 2017	34,119,599	1,675,323	(29,954,831)	5,840,091

31 December 2016	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2016	28,175,330	1,642,704	(23,236,104)	6,581,930
Net loss for the period	-	-	(1,394,335)	(1,394,335)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,394,335)	(1,394,335)
Issue of share capital, net of costs	940,840	-	-	940,840
Share based payments	-	9,153	-	9,153
Balance as at 31 December 2016	29,116,170	1,651,857	(24,630,439)	6,137,588

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Cash receipts in the course of operations		313,781	11,840
Cash payments in the course of operations		(2,077,203)	(1,598,052)
Interest received		4,891	9,019
Government grant received		273,659	309,025
Net cash used in operating activities		(1,484,872)	(1,268,168)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(500,000)	(325,000)
Payments for property, plant and equipment		(7,405)	-
Payments for security bonds		(2,601)	-
Net cash used in investing activities		(510,006)	(325,000)
Cash flows from financing activity			
Net proceeds from issue of share capital	10	1,219,420	623,710
Net cash provided by financing activity		1,219,420	623,710
Net decrease in cash and cash equivalents		(775,458)	(969,458)
Cash and cash equivalents at the beginning of the period		2,574,625	3,289,330
Cash and cash equivalents at the end of the period		1,799,167	2,319,872

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

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

1. REPORTING ENTITY

Marindi Metals Limited (the **Company**) is a company domiciled in Australia. The consolidated interim financial report as at and for the six months ended 31 December 2017 covers the consolidated group of Marindi Metals Limited and its subsidiaries (**consolidated entity** or **Group**).

The annual financial report of the consolidated entity for the year ended 30 June 2017 is available upon request from the Company's registered office or may be viewed on the Company's website, www.marindi.com.au.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial report has been prepared on the accruals basis and on an historical cost basis. It was approved by the Board of Directors on 13 March 2018.

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by Marindi Metals Limited during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**the AASB**) that are relevant to their operations and effective for the current half year. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made.

Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production.

3. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Marindi Metals Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

4. GOING CONCERN

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe this to be appropriate for the following reasons:

- (i) During the period, the Company received \$1.31 million in cash (before costs) from a placement of 109,057,649 shares to institutional and sophisticated shareholders, and since balance date has raised a further \$3.05 million in cash (before costs) (refer Note 12);
- (ii) The Group has cash reserves of \$1.8M at 31 December 2017 and has the ability to adjust its exploration expenditure subject to results of its exploration activities and the Group's funding position;
- (iii) The Group has no loans or borrowings; and
- (iv) The Group continues to monitor opportunities to raise further equity from interested investors.

5. ESTIMATES

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2017.

6. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2017.

7. SEGMENT REPORTING

The consolidated entity operates predominantly in the mineral exploration industry in Australia.

8. INCOME	2017 \$	2016 \$
Interest income	4,892	9,018
R & D rebate	273,659	256,940
Other income	311,646 ⁽ⁱ⁾	63,732
	590,197	329,690

- (i) Includes a cash settlement of \$300,000 from Rox Resources Limited in relation to the sale of Rox Resources' interest in the Reward Joint Venture.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017 \$	30 June 2017 \$
9. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE		
Exploration and evaluation costs carried forward in respect of areas of interest (net of amounts written off) (a)	5,119,591	4,143,784
	6 months to 31 December 2017 \$	12 months to 30 June 2017 \$
Reconciliation		
Carrying amount at beginning of period	4,143,784	3,344,884
Expenditure during the period – exploration	1,603,579	2,094,414
Expenditure during the period – acquisitions (including non-cash consideration)	2,130,000	800,000
Expenditure written off	(2,757,772)	(2,095,514)
Carrying amount at end of period	5,119,591	4,143,784

- (a) The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. During the six months ended 31 December 2017 the consolidated entity wrote off expenditure totalling \$2,757,772 (six months ended 31 December 2016: \$996,510), including acquisition costs of \$1,154,193 (six months ended 31 December 2016: \$nil).

	31 December 2017 \$	30 June 2017 \$
10. ISSUED CAPITAL		
1,526,108,643 (30 June 2017: 1,327,050,994) fully paid ordinary shares	34,119,599	31,270,179

(a) Ordinary shares

The following movements in issued capital occurred during the six months ended 31 December:

	Shares		Consolidated	
	31 December 2017 No.	30 June 2017 No.	31 December 2017 \$	30 June 2017 \$
Balance at beginning of the period	1,327,050,994	1,153,068,084	31,270,179	28,055,330
Issue of shares at \$0.011 each as part option fee to acquire ELA 47/3555	10,000,000	-	110,000	-
Issue of shares at \$0.019 each to acquire ELA 47/3555	80,000,000	-	1,520,000	-
Issue of shares at \$0.012 each for cash pursuant to a share placement	109,057,649	-	1,308,692	-
Share issue costs	-	-	(89,272)	(163,276)
Issue of shares at \$0.01 each for cash pursuant to a share placement	-	12,000,000	-	120,000
Issue of shares at \$0.02 each upon exercise of listed options	-	57,906,269	-	1,158,125
Issue of shares at \$0.02 each for cash pursuant to the underwriting of expiring options	-	100,000,000	-	2,000,000
Issue of shares at \$0.02453 each in consideration for the acquisition of interest in mining lease	-	4,076,641	-	100,000
Balance at end of the period	1,526,108,643	1,327,050,994	34,119,599	31,270,179

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

10. ISSUED CAPITAL (CONTINUED)

(b) Options

No options were issued or exercised during the half year.

No options lapsed during the half year.

The following options to subscribe for ordinary fully paid shares were outstanding at the end of the half-year:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted options	31 December 2019	\$0.025	64,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

11. COMMITMENTS AND CONTINGENCIES

The changes to the commitments and contingencies disclosed in the most recent annual report are specified below.

Exploration commitments

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programme and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at balance date, total exploration expenditure commitments of the Group which have not been provided for in the financial statements amount to \$1,412,000 per annum.

Project commitments

Forrestania Lithium Project

In February 2017, the Company exercised its option to acquire up to a 70% interest in Mining Lease 77/549. The agreement with the vendor requires the Company to spend a minimum of \$300,000 on exploration over 24 months to earn a 51% interest. Thereafter, the Company has the right to spend a further \$150,000 on exploration to earn up to a 70% interest within 30 months of exercising of the option by way of issuing a further \$40,000 in shares. Upon earning 70% interest, the remaining 30% interest can be purchased on terms to be mutually agreed.

Marindi has spent over \$300,000 and notified the vendor of its earning the 51%.

Bellary Dome Gold Project

In November 2017, the Company entered into an option agreement with Bacome Pty Ltd (**Bacome**) to acquire 100% interest in Exploration License Application (ELA) 47/3555 with the following terms:

- \$100,000 cash payment and 10 million shares for an exclusive 45-day option to acquire ELA 47/3555 (completed);
- On exercise of option, a \$400,000 cash payment and issue of 80 million shares (completed, refer below); and
- A minimum spend of \$350,000 per annum upon grant of ELA 47/3555.

On 20 November 2017, the Company exercised its option to purchase ELA 47/3555. The Company paid Bacome \$400,000 and issued 80,000,000 shares at \$0.019 per share. Bacome will maintain a 5% Gross Overriding Royalty on any future production from ELA 47/3555.

Marindi is required to spend \$350,000 p.a. from the date of grant on ELA 47/3555 or will be required return the sell the tenement back to Bacome for \$1.

12. SUBSIDIARIES

	Class of shares	Beneficial interest 31 December 2017	Beneficial interest 31 December 2016
<i>Shares in controlled entity:</i>			
Brumby Creek Pty Ltd (incorporated in WA)	Ordinary	100%	100%
Marindi Metals Operations Pty Ltd (incorporated in WA)	Ordinary	100%	100%
Forrestania Pty Ltd (incorporated in WA)	Ordinary	100%	100%

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 31 January 2018 the Company issued 254,351,441 ordinary fully paid shares at an issue price of \$0.012 following the completion of a fully underwritten non-renounceable entitlements issue, raising an aggregate \$3.05 million before costs. The financial effect of this transaction has not been brought to account in the interim report.

DIRECTORS' DECLARATION

In the opinion of the directors of Marindi Metals Limited:

1. the consolidated financial statements and notes, set out on pages 7 to 14, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; 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 Perth, Western Australia this 13th day of March 2018

Signed in accordance with a resolution of the Directors.



John Hutton
Non-Executive Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MARINDI METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Marindi Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated 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 Marindi Metals Limited. The consolidated entity comprises both Marindi Metals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Marindi Metals 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 consolidated entity'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 Marindi Metals 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 Marindi Metals Limited on 13 March 2018.

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 Marindi Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards 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
13 March 2018