

Berkut Minerals Limited

Interim Financial Report

31 December 2018

berkutminerals.com.au

ABN 62 610 855 064





CONTENTS	PAGE
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	17
Independent Auditor's Review Report	18
Tenement Table, Important Information and Disclaimers	20

CORPORATE DIRECTORY

Directors

Justin Tremain (Non-Executive Chairman)
Neil Inwood (Managing Director)
Paul Payne (Non-Executive Director)

Company Secretary

Aaron Bertolatti

Registered Office

78 Churchill Avenue
SUBIACO, WA 6008

Telephone: + 61 8 9320 2320

Email: admin@berkutminerals.com.au

Website: berkutminerals.com.au

Share Registry

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Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

Auditors

Grant Thornton Audit Pty Ltd
Central Park
Level 43, 152 -158 St Georges Terrace
PERTH, WA 6000

Telephone: +61 8 9480 2000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH, WA 6000

Telephone: +61 8 9321 4000

Stock Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: BMT



Directors' Report

The Directors present their report for Berkut Minerals Limited (“Berkut Minerals”, “Berkut” or “the Company”) and its subsidiary (“the Group”) for the half year ended 31 December 2018.

DIRECTORS

The persons who were directors of Berkut Minerals during the half year and up to the date of this report are:

- Justin Tremain - Non-Executive Chairman
- Neil Inwood - Managing Director
- Paul Payne - Non-Executive Director

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

The Company continued to assess its ground holdings in Norway and Sweden. The main field activities undertaken was extensive soil sampling and mapping at the Skuterud Cobalt project in Norway. Numerous additional mineral exploration project opportunities have also been reviewed in order to enhance shareholder value opportunities.

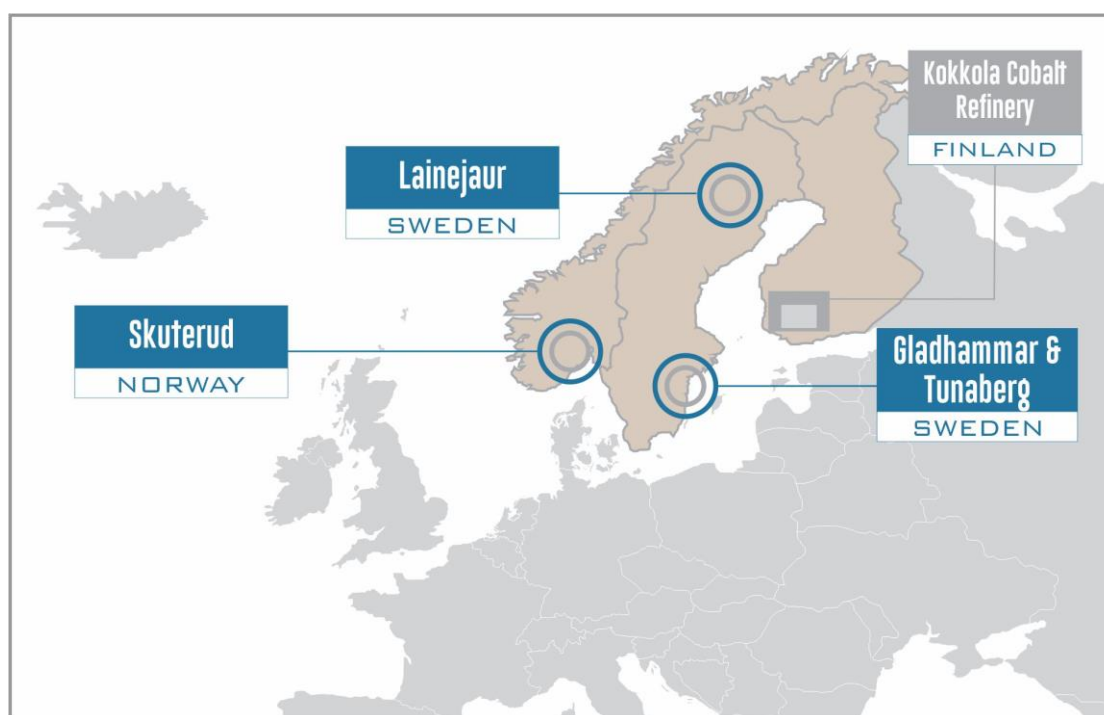


Figure 1 | Scandinavian Project Locations

Skuterud Cobalt Project - Norway

An extensive soil sampling program instigated during June 2018 which saw the collection of 926 samples along the entire 6km of prospective strike. This sampling and mapping program was completed and finalised by August 2018.

Results from the sampling program defined several coincident copper/cobalt anomalous areas associated with quartz-mica schists in the south, central and northern areas of the Skuterud Cobalt Project. The program identified two large, +1,000m Co/Cu soil anomalies (refer Figure 1), in the north and south of the project area.

The northern target (approximately 1,500m long) is associated with a mixed meta-sedimentary package similar to the Skuterud mine sequence where mineralisation occurs at lithological boundaries of quartzites and quartz-mica schists. This area is along trend of the historical Dovikollen mine workings. The southern target (approximately 1,000m long) is along trend and adjacent to the historical Middagshville mine workings, also in a mixed meta-sedimentary sequence similar to the Skuterud mine sequence. Further assessment required to generate firm targets includes mapping and interpretation, investigation of additional geophysical methods to aid in target generation (e.g. IP and airborne EM) and infill soil sampling.

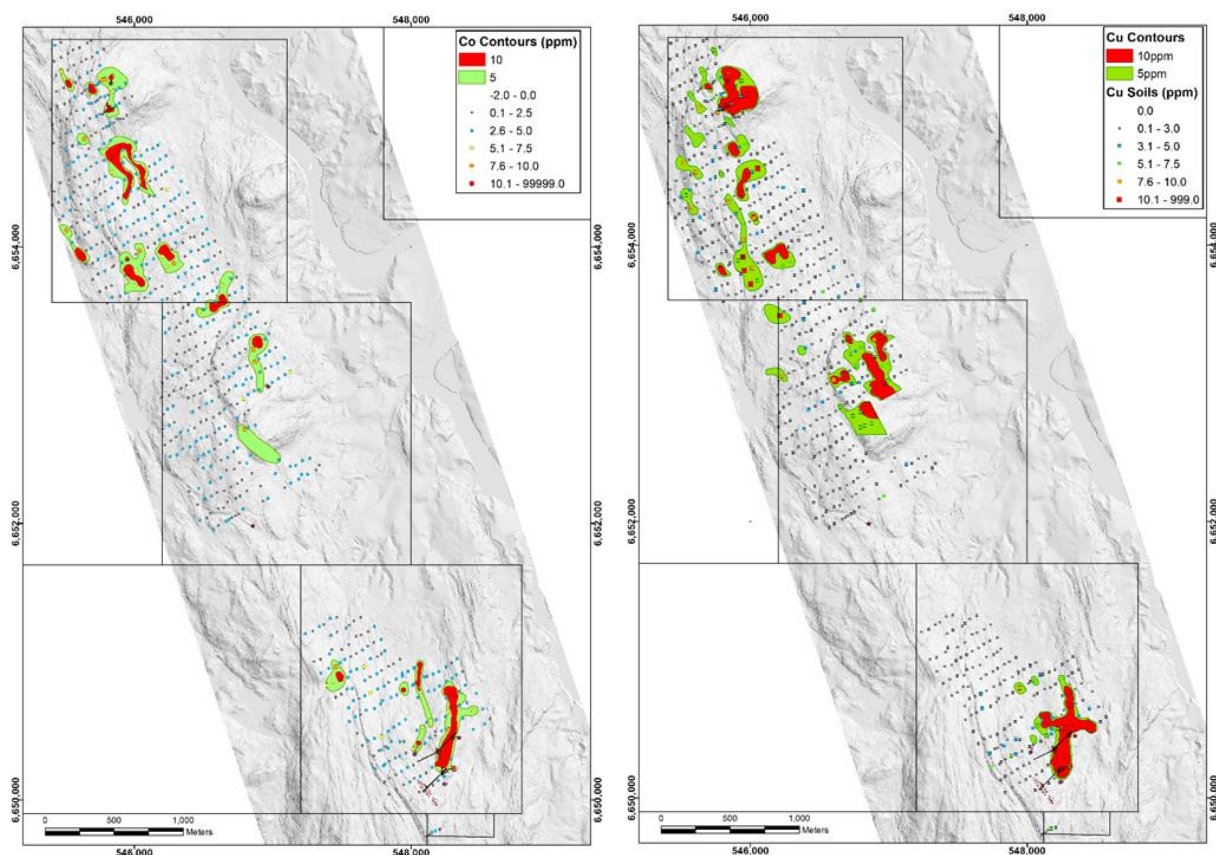


Figure 2| Skuterud Soil Program: cobalt results (LHS) and copper results (RHS)

Lainejaur Nickel-Cobalt Project - Sweden

Post the Q2 2018 geophysical work undertaken, the Company continues to assess the area and investigate targeting based upon both the recent geophysical work, and newly identified historical EM surveys.

Gladhammar Cobalt Project - Sweden

No field work was undertaken during the period.

Tunaberg Cobalt and Base Metal Project - Sweden

Core was identified for several historical holes in the Tunaberg project. The assayed intervals generally confirmed the tenor of historical assays and did not identify any significant cobalt mineralisation.

Mt Clement - Australia

No field work was undertaken on project during the period. The Company is assessing plans to undertake preliminary field investigations in 2019.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no significant events subsequent to the end of the financial year to the date of this report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Directors' Report

Signed on behalf of the Board in accordance with a resolution of the Directors.

Neil Inwood
Managing Director

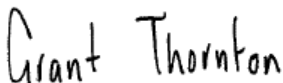
Perth, Western Australia
7 March 2019

Auditor's Independence Declaration

To the Directors of Berkut Minerals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Berkut Minerals Limited for the period ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 7 March 2018



Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Continuing Operations			
Interest received		40,690	47,331
Employee costs	3(a)	(199,090)	(224,456)
Exploration expenditure	3(b)	(74,448)	(945,753)
Loss on foreign exchange		-	(25,925)
Other expenses		(161,471)	(190,042)
Share based payments expense	8	(73,377)	(252,880)
Loss before income tax		(467,696)	(1,591,725)
Income tax expense		-	-
Net loss for the year		(467,696)	(1,591,725)
Other comprehensive income			
Items that may be reclassified to profit and loss		(143)	3,193
Other comprehensive income for the year net of tax		(467,839)	(1,588,532)
Total comprehensive loss for the year		(467,839)	(1,588,532)
Loss per share			
Basic/Diluted Loss per share (cents)		(0.86)	(3.04)

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 *as at 31 December 2018*

	Note	31 December 2018 \$	30 June 2018 \$
Current Assets			
Cash and cash equivalents		3,273,042	3,725,459
Other financial assets		15,000	15,000
Trade and other receivables		11,224	13,852
Total Current Assets		3,299,266	3,754,311
Non-Current Assets			
Property, plant and equipment		5,912	7,080
Total Non-Current Assets		5,912	7,080
Total Assets		3,305,178	3,761,391
Current Liabilities			
Trade and other payables	4	61,563	95,491
Short term provisions		17,927	45,750
Total Current Liabilities		79,490	141,241
Total Liabilities		79,490	141,241
Net Assets		3,225,688	3,620,150
Equity			
Issued capital	5	7,592,555	7,592,555
Reserves	6	947,914	874,680
Accumulated losses	7	(5,314,781)	(4,847,085)
Total Equity		3,225,688	3,620,150

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.


Consolidated Statement of Changes in Equity *for the period ended 31 December 2018*

	Issued capital \$	Accumulated losses \$	Foreign exchange translation reserve	Share option reserve \$	Total \$
Balance at 1 July 2017	6,051,555	(2,495,714)	-	564,334	4,120,175
Total comprehensive loss for the year					
Loss for the year	-	(1,591,725)	-	-	(1,591,725)
Other comprehensive loss	-	-	3,193	-	3,193
Total comprehensive loss for the year	-	(1,591,725)	3,193	-	(1,588,532)
Transactions with owners in their capacity as owners					
Shares issued during the period	1,541,000	-	-	-	1,541,000
Cost of issue	(91,000)	-	-	-	(91,000)
Share based payment	91,000	-	-	252,880	343,880
Balance at 31 December 2017	7,592,555	(4,087,439)	3,193	817,214	4,325,523
Balance at 1 July 2018	7,592,555	(4,847,085)	(28,110)	902,790	3,620,150
Total comprehensive loss for the year					
Loss for the year	-	(467,696)	-	-	(467,696)
Other comprehensive loss	-	-	(143)	-	(143)
Total comprehensive loss for the year	-	(467,696)	(143)	-	(467,839)
Transactions with owners in their capacity as owners					
Share based payment	-	-	-	73,377	73,377
Balance at 31 December 2018	7,592,555	(5,314,781)	(28,253)	976,167	3,225,688

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.


Consolidated Statement of Cash Flows *for the period ended 31 December 2018*

	Note	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(401,492)	(391,514)
Interest received		40,351	43,860
Payments for exploration expenditure and project acquisitions		(83,711)	(929,474)
Other payments – bond payments		(7,865)	(2,438)
Net cash used in operating activities		(452,717)	(1,279,566)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,541,000
Net cash provided by financing activities		-	1,541,000
Net (decrease)/increase in cash and cash equivalents		(452,717)	261,434
Cash and cash equivalents at the beginning of the year		3,725,459	4,192,459
Effect of exchange rate fluctuations on cash		300	(25,925)
Cash and cash equivalents at the end of the year		3,273,042	4,427,968

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

1. Corporate Information

The financial report of Berkut Minerals Limited (“Berkut Minerals”, “Berkut” or “the Company”) for half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 7 March 2019.

Berkut is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors’ Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with applicable accounting standards including AASB 134 “Interim Financial Reporting” and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 “Interim Financial Reporting”.

The half-year financial statements are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. They do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by Berkut Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report the half-year has been treated as a discrete reporting period.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(c) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations was not material.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard is effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
3. Expenses		
(a) Employee costs		
Director fees	(37,500)	(37,500)
Wages and salaries	(147,700)	(149,188)
Other	(13,890)	(37,768)
	(199,090)	(224,456)

(b) Exploration expenditure

Drilling	-	(375,500)
Consultants	(3,575)	(238,785)
Salaries and wages	(20,944)	(99,121)
Travel and freight	(3,306)	(115,608)
Other	(46,623)	(116,739)
	(74,448)	(945,753)

	31 December 2018 \$	30 June 2018 \$
4. Trade and Other Payables		
Trade payables	12,104	17,649
Other payables	37,959	58,468
Accruals	11,500	19,374
	61,563	95,491

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

5. Issued Capital

(a) Issued and paid up capital

Issued and fully paid	7,592,555	7,592,555
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(b) Movements in ordinary shares on issue

	31 December 2018		30 June 2018	
	Number of shares	\$	Number of shares	\$
Opening balance	54,316,669	7,592,555	47,266,669	6,051,555
Shares issued and fully paid	-	-	6,700,000	1,541,000
Shares issued to brokers ¹	-	-	350,000	91,000
Transaction costs on share issue	-	-	-	(91,000)
	54,316,669	7,592,555	54,316,669	7,592,555

¹ 350,000 shares were issued at a deemed issue price of \$0.26 per share pursuant to the terms of a Lead Manager Mandate and in connection with the placement of 6.7m shares to institutional and sophisticated investors.

	31 December 2018 \$	30 June 2018 \$
6. Reserves		
Share based payments reserve	976,167	902,790
Foreign exchange translation reserve ²	(28,253)	(28,110)
	947,914	874,680



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

	31 December 2018 \$	30 June 2018 \$
Movements in Reserves		
<i>Share based payments reserve</i>		
Opening balance	902,790	564,334
Options issued to corporate advisors	-	183,373
Share based payments expense	73,377	155,083
Closing balance	976,167	902,790

The share based payment reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services. Refer to note 8 for further details of the securities issued during the financial year ended 31 December 2018.

<i>Foreign exchange translation reserve</i>		
Opening balance	(28,110)	-
Foreign exchange translation difference	(143)	(28,110)
Closing balance	(28,253)	(28,110)

The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

7. Accumulated Losses

Movements in accumulated losses were as follows:

Opening balance	(4,847,085)	(2,495,714)
Loss for the year	(467,696)	(2,351,371)
Closing balance	(5,314,781)	(4,847,085)

8. Share Based Payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in the equity during the year were as follows:

	31 December 2018 \$	31 December 2017 \$
Employee and director share-based payments (note 8 (b))	73,377	69,508
Share based payments to suppliers (note 8 (c))	-	183,372
	73,377	252,880
Options issued to brokers and corporate advisors	-	91,000 ¹
	73,377	343,880

¹ 350,000 shares were issued at a deemed issue price of \$0.26 per share pursuant to the terms of a Lead Manager Mandate and in connection with the placement of 6.7m shares to institutional and sophisticated investors

(b) Employee share-based payments

The Company has established an employee share option plan (ESOP). The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees and contractors of Berkut Minerals Limited. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, employees and eligible contractors of Berkut Minerals Limited.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

There were no unlisted options issued to employee and director's during the half-year ended 31 December 2018. The expense recognised during the half-year on options granted in prior periods was \$73,377.



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

The table below summarises options granted during the year end 30 June 2018:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
27/11/2017	27/11/2020	\$0.001	-	2,300,000	-	-	2,300,000	- ¹
				2,300,000	-	-	2,300,000	-

¹ Directors and Executives were granted 2,300,000 options exercisable at \$0.001 each, on or before 30 June 2019.

- 50% of the Options issued to each Related Party will vest upon the Company announcing a Mineral Resource reported in accordance with the JORC Code (or an increase in a Mineral Resource reported in accordance with the JORC Code for any projects acquired by the Company with an existing Mineral Resource reported in accordance with the JORC Code) with an aggregate in-ground value of more than A\$250,000,000,
- 50% of the Options issued to each Related Party will vest upon the Company reaching a market capitalisation exceeding A\$30,000,000 for 30 concurrent days.

The expense recognised in respect of the above options granted during the year ended 30 June 2018 was \$69,508.

The model inputs, not included in the table above, for options granted included:

- options were granted for no consideration;
- expected lives of the options was 3.0 years;
- share price at grant date was \$0.335;
- expected volatility was 100%;
- expected dividend yield of nil; and
- a risk-free interest rate of 1.00%

(c) Share based payment to suppliers

There were no unlisted options issued to suppliers during the half-year ended 31 December 2018.

During the year ended 30 June 2018, the Company issued unlisted options to corporate advisors for services to be provided pursuant to a Corporate Services Mandate dated 27 November 2017. The value of these services was unable to be measured reliably and were therefore measured using fair value of market prices. These options have been valued using the Black-Scholes option pricing model.

Grant Date	Expiry date	Exercise price per option	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
01/12/2017	31/12/2020	\$0.50	-	750,000	-	-	750,000	750,000
01/12/2017	31/12/2020	\$0.65	-	750,000	-	-	750,000	750,000
				1,500,000	-	-	1,500,000	1,500,000

The expense recognised in respect of the above options granted during the year ended 30 June 2018 was \$183,372.

The model inputs, not included in the table above, for options granted included:

- options were granted for no consideration;
- expected life of options was 3.1 years;
- share price at grant date was \$0.26
- expected volatility of 100%;
- expected dividend yield of nil; and
- a risk-free interest rate ranging from 1.00%.



Berkut Minerals Limited

Notes to the Consolidated Financial Statements *for the period ended 31 December 2018*

9. Subsidiaries

The consolidated financial statements include the financial statements of Berkut Minerals Limited and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding	
		31 December 2018	30 June 2018
Kobald Mineral Holdings Pty Ltd	Australia	100%	100%
Berkut Minerals Norway AS	Norway	100%	100%
Berkut Sweden AB	Sweden	100%	100%

10. Contingent Assets and Liabilities

The Directors are of the opinion that the recognition of a liability is not required in respect of the following matter as it is not certain that a future sacrifice of economic benefits will be required or the amount is not able to be reliably measured at this point in time.

Deferred Consideration Shares

During the year ended 30 June 2017, the Company's shareholders approved the award of 8,250,000 deferred consideration shares. The deferred consideration shares are to be issued to the vendors of Kobald Mineral Holdings Pty Ltd upon the achievement of the following milestones.

1. 4,125,000 fully paid ordinary shares, subject to the completion or announcement to the market of a scoping study on JORC compliant resources on any of the tenements acquired by the Company as part of the acquisition; and
2. 4,125,000 fully paid ordinary shares, subject to the completion or announcement to the market of a definitive feasibility study on JORC compliant resources at any of the tenements.

The Deferred Consideration Shares must be issued no later than 22 May 2021. Up to the date of this report, no deferred consideration shares have been issued. An obligation will arise once the above milestones have been achieved and will be recognised at that time.

There are no other known contingent assets and liabilities as at 31 December 2018.

	31 December 2018 \$	30 June 2018 \$
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11. Commitments

Rental Agreement

The Company entered into a sub-rental agreement with Helix Resources Limited for office space for a term of 2 years commencing 1 December 2017.

Payable:

Within one year	27,790	30,316
After one year but not longer than 5 years	-	12,632
	27,790	42,948

The Directors are not aware of any other material commitments at the reporting date.

12. Dividends

No dividend was paid or declared by the Company in the half year ended 31 December 2018.

13. Significant Events after the Reporting Date

There have been no significant events subsequent to the end of the financial year to the date of this report.



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

14. Operating Segments

The Group has determined the operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is an emerging cobalt producer in Scandinavia, and is also the holder of some non-core copper/gold/lithium tenements in Australia. The Board considers the entity from both a commodity type, and a geographical perspective. During the period the consolidated entity operated in two business segments, being; Scandinavian mineral exploration and Australian mineral exploration.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment.

31 December 2018	Scandinavian mineral exploration \$	Australian mineral exploration \$	Total \$
Segment Performance			
Interest revenue			
Total segment revenue			
Corporate and unallocated revenue			40,690
Total Group Revenue			40,690
Employee costs			
Share based payments expense			
Exploration expenditure	(71,039)	(3,409)	(74,448)
Other expenses	-	-	-
Segment net loss before tax	(71,039)	(3,409)	(74,448)
Corporate and unallocated expenses			(393,248)
Group net loss before tax			(467,696)
Segment Assets			
<i>Segment assets increases/ (decreases) for the year:</i>			
Cash and cash equivalents	-	-	-
Other financial assets	-	-	-
Trade and other receivables	-	-	-
Property, Plant and equipment	-	-	-
Total Group assets	-	-	-
Corporate and unallocated assets			3,305,178
Total Group Assets			3,305,178



Berkut Minerals Limited

Notes to the Consolidated Financial Statements for the period ended 31 December 2018

31 December 2018	Scandinavian mineral exploration \$	Australian mineral exploration \$	Total \$
Segment Liabilities			
<i>Segment liabilities increases/ (decreases) for the year:</i>			
Trade and other payables	-	-	-
Short term provisions	-	-	-
Deferred considerations	-	-	-
Total	-	-	-
Corporate and unallocated liabilities			79,490
Total Group Liabilities			79,490
30 June 2018			
Segment Performance			
Interest revenue			
Total segment revenue			
Corporate and unallocated revenue			88,039
Total Group Revenue			88,039
Employee costs			
Share based payments expense			
Exploration expenditure	(1,268,085)	(13,987)	(1,282,072)
Other expenses	-	-	-
Segment net loss before tax	(1,268,085)	(13,987)	(1,282,072)
Corporate and unallocated expenses			(1,157,338)
Group net loss before tax			(2,351,371)
Segment Assets			
<i>Segment assets increases/ (decreases) for the year:</i>			
Cash and cash equivalents	-	-	-
Other financial assets	-	-	-
Trade and other receivables	-	-	-
Property, Plant and equipment	-	-	-
Total Group assets	-	-	-
Corporate and unallocated assets			3,761,391
Total Group Assets			3,761,391
Segment Liabilities			
<i>Segment liabilities increases/ (decreases) for the year:</i>			
Trade and other payables	-	-	-
Short term provisions	-	-	-
Deferred considerations	-	-	-
Total	-	-	-
Corporate and unallocated liabilities			141,241
Total Group Liabilities			141,241



Directors' Declaration

In the opinion of the Directors of Berkut Minerals Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended; 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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Neil Inwood
Managing Director

Perth, Western Australia
7 March 2019

Independent Auditor's Review Report

To the Members of Berkut Minerals Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Berkut Minerals Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Berkut Minerals Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

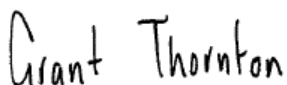
Auditor's responsibility

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 Group's financial position as at 31 December 2018 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 Berkut Minerals 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*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 7 March 2019

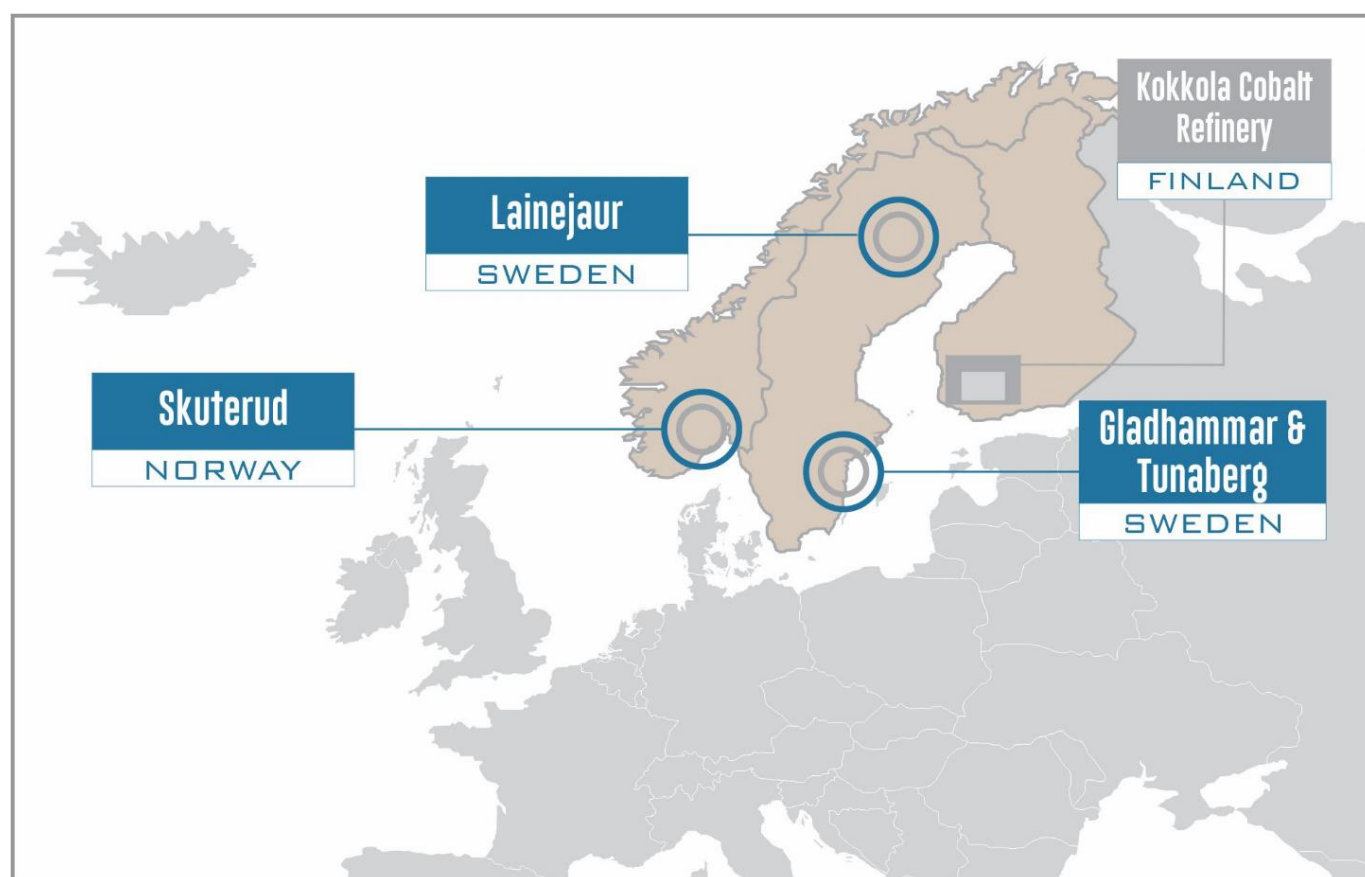


Tenement Table, Important Information and Disclaimers

BERKUT MINERALS LIMITED TENEMENTS

Tenement	Location	Structure
Skuterud 1, 2, 3, 3a, 4, 5, 6, 7, 8	Norway	100%
Goshawk 1, 2, 4, 5, 8	Norway	100%
Tunaberg nr 201, 202	Sweden	100%
Gladhammar nr 201, 202, 203, 204, 205	Sweden	100%
Gladhammar nr 206	Sweden	100%
Lainejaur nr 20	Sweden	100%
Mt Clement E08/2848	Western Australia	100%

SCANDINAVIAN PROJECT LOCATIONS



COMPETENT PERSON

The information in this report that relates to Exploration Results is based on information compiled by Mr Neil Inwood, who is a Fellow of the AusIMM. Mr Inwood is a full-time employee of Berkut Minerals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves” (JORC Code). Mr Inwood consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.