



**East Energy Resources Limited**

ABN 66 126 371 828

**Interim Financial Report 2020**



## **East Energy Resources Limited**

ABN 66 126 371 828

### **Interim Financial Report 2020**

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# Corporate Directory

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## DIRECTORS

Rex Littlewood (Managing Director and Chairman)  
Ranko Matic (Non-Executive Director)  
Chris Thoroughgood (Non-Executive Director)

## AUDITORS

Criterion Audit Pty Ltd  
Suite 2  
642 Newcastle Street  
LEEDERVILLE WA 6007  
Ph: +61 8 9466 9009

## JOINT COMPANY SECRETARIES

Ranko Matic  
Andrea Betti

## SHARE REGISTRY

Advanced Share Registry Ltd  
110 Stirling Highway  
NEDLANDS WA 6009

## REGISTERED OFFICE

Level 2, 22 Mount St  
PERTH WA 6000

## CONTACTS

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ASX Code: EER

# Directors' Report

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Your directors submit the financial accounts of the Group consisting of East Energy Resources Limited ("EER" or "the Company") and the entity it controls ("the Group") for the half year ended 31 December 2020.

## Directors

The names of the directors in office at any time during the whole of the half year and up to the date of this report are:-

Mr Rex Littlewood (Managing Director and Chairman)

Mr Ranko Matic (Non-Executive Director and Company Secretary)

Mr Chris Thoroughgood (Non-Executive Director)

## Review of Operations

### Principal Activities

The principal activity of the Group for the financial period was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the half year.

### Results

The consolidated net profit of the Group after income tax for the half year ended 31 December 2020 amounted to \$6,249,880 (2019: loss of \$407,196).

### Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### Corporate

On 17 September 2020, the Company was placed into voluntary suspension on the ASX, which was extended to 31 March 2021. The request was made by the Company, as it had been in discussions with its major shareholder to determine the outcome of a possible recapitalisation transaction and was in discussions and negotiations in respect of their controlling shareholding in the Company.

On 30 December 2020, the Company provided an update to the market and advised that Noble Netherlands BV, the owner of the Company's major shareholder, Maylion Pty Limited ("Maylion"), had entered into an agreement to sell all of its shares in Maylion to Axis Minerals Pty Ltd, an unrelated company. Maylion currently owns 2,990,419,558 ordinary shares in the capital of the Company. The shares are to be sold subject to a number of conditions precedent, including obtaining approval from the Company's shareholders.

### Exploration

#### **BLACKALL COAL PROJECT**

##### Background

The Group's main coal project is located in Central Western Queensland near the township of Blackall. The Group commenced the Blackall Project in 2008 by securing and developing EPC 1149, which initially covered 300 sub-blocks over an area of approximately 900 sq km in the Eromanga Basin in Queensland. This tenement was granted to East Energy on 22 April 2008 for an initial period of five years and approval was granted for further five year extension to the entire tenement in June 2013.

In May 2013, East Energy Resources acquired Idalia Coal Pty Ltd, which held EPCs 1398, 1399, 1400, 1403 and 1407 which are all located adjacent or close to the existing EPC 1149 tenement.

In 2014 East Energy was granted a Mineral Development Licence (MDL 464) consisting of approximately 37,000 Ha over the primary Coal Resource within EPC 1149.

## JORC Resources

The Blackall Project contains three main coal resource areas within EPC's 1149, 1398 and 1399 and MDL 464. It is located immediately to the south of the township of Blackall in central western Queensland.

In July 2014 the Company completed an updated JORC compliant Coal Resource Statement for EPC1399 (announced to the ASX on 10/7/2014) within the Blackall Project, comprising a JORC (2012) compliant Inferred Resource of 1,504 million tonnes. The updated Resources combined with the previously announced JORC Resources for EPC1149 and EPC1398, show that the Company holds a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal at its Blackall Coal Project.<sup>Note 1</sup>

The Company also announced an updated Exploration Target in the range of 2.0 to 2.5 billion tonnes within EPC1398 and EPC1399. All references to Reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.<sup>Note 1</sup>

*Note 1. See ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE*

## **Exploration**

### Statutory Compliance and Reporting

All tenements remain in good standing with rents paid, statutory obligations complied with and the necessary government reports lodged on time.

During the period, the Company determined there was no value within EPC 1403, and therefore proceeded with the full surrender of EPC 1403, which was finalised during the period. Other than the relinquishment of EPC 1403, there have been no other changes to tenements held.

The Company continued to assess the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project.

The Board continues to monitor the progress of coal projects in the Galilee Basin and the proposed rail line for Adani's Carmichael Coal Mine, which will provide a crucial link for the future transport of coal from the Blackall Project.

### Competent Persons Statement – EPC 1399 Resources

*The information in this report relating to estimates of Mineral Resources within EPC1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is a consultant to East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.*

### Competent Persons Statement – EPC 1398 Resources

*The information in this announcement relating to the estimates of Mineral Resources within EPC 1398 is based on the 2004 JORC code and information reviewed by Mr Bill Knox, who is a Member of The AusIMM. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Knox has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

### Competent Persons Statement – EPC 1149 Resources

*The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this announcement has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003. The information in the announcement to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Dr McCaughan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Dr McCaughan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.*

### Competent Persons Statement – Exploration Targets

*The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and is a consultant to East Energy Resources Ltd. Mr Tighe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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*

Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

#### Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

#### Events After the Balance Sheet Date

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

#### Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is included within this financial report for the period ended 31 December 2020.

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



**REX LITTLEWOOD**

**Managing Director and Chairman**

DATED at PERTH this 8<sup>th</sup> day of March 2021

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the audit of the financial statements of East Energy Resources Limited and its controlled entity for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LTD**  
**Chartered Accountants**

*Elizabeth Louwrens*

**ELIZABETH LOUWRENS CA**  
**Director**

DATED at PERTH this 8<sup>th</sup> day of March 2021

# Consolidated Statement of Profit or Loss and other Comprehensive Income

for the half year ended 31 December 2020

		<b>Consolidated</b>	
		<b>31.12.2020</b>	<b>31.12.2019</b>
		<b>\$</b>	<b>\$</b>
Revenue from continuing operations		132	336
Audit fees		(5,153)	(5,000)
Insurance		(17,917)	(24,433)
Share registry costs		(2,371)	(2,639)
ASX fees		(15,905)	(16,347)
Directors salary and fees		(82,383)	(82,383)
Employee benefits expenses		(25,326)	(25,326)
Interest expense		(91,392)	(66,941)
Impairment loss of exploration assets	4	(130,214)	(160,989)
Reversal of impairment loss of exploration assets	4	6,627,545	-
Other expenses		(7,136)	(23,474)
<b>Profit/(loss) before income tax</b>		<b>6,249,880</b>	<b>(407,196)</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the period attributable to the members of East Energy Resources Limited</b>		<b>6,249,880</b>	<b>(407,196)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the period attributable to the members of East Energy Resources Limited</b>		<b>6,249,880</b>	<b>(407,196)</b>
<b>Basic and diluted profit/(loss) per share (cents per share) attributable to the members of East Energy Resources Ltd</b>		<b>0.195</b>	<b>(0.013)</b>

The accompanying notes form part of these financial accounts



# Consolidated Statement of Financial Position

as at 31 December 2020

		Consolidated	
		31.12.2020	30.06.2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		542,802	807,693
Trade and other receivables		5,778	5,767
Other assets		27,154	36,794
<b>TOTAL CURRENT ASSETS</b>		<b>575,734</b>	<b>850,254</b>
<b>NON CURRENT ASSETS</b>			
Tenement works bonds		29,500	29,500
Exploration, evaluation and development expenditure	4	12,327,545	5,700,000
<b>TOTAL NON CURRENT ASSETS</b>		<b>12,357,045</b>	<b>5,729,500</b>
<b>TOTAL ASSETS</b>		<b>12,932,779</b>	<b>6,579,754</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		36,800	25,427
Provisions		2,469	2,089
<b>TOTAL CURRENT LIABILITIES</b>		<b>39,269</b>	<b>27,516</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	5	2,157,365	2,065,973
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,157,365</b>	<b>2,065,973</b>
<b>TOTAL LIABILITIES</b>		<b>2,196,634</b>	<b>2,093,489</b>
<b>NET ASSETS</b>		<b>10,736,145</b>	<b>4,486,265</b>
<b>EQUITY</b>			
Issued capital		86,901,419	86,901,419
Accumulated losses		(76,165,274)	(82,415,154)
<b>TOTAL EQUITY</b>		<b>10,736,145</b>	<b>4,486,265</b>

The accompanying notes form part of these financial accounts

# Consolidated Statement of Changes in Equity

for the half year ended 31 December 2020

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance as at 1 July 2019	86,901,419	(75,273,171)	11,628,248
Net loss for the period	-	(407,196)	(407,196)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(407,196)	(407,196)
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
<b>Balance at 31 December 2019</b>	<b>86,901,419</b>	<b>(75,680,367)</b>	<b>11,221,052</b>

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance as at 1 July 2020	86,901,419	(82,415,154)	4,486,265
Net profit for the period	-	6,249,880	6,249,880
Other comprehensive income	-	-	-
Total comprehensive profit for the period	-	6,249,880	6,249,880
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
<b>Balance at 31 December 2020</b>	<b>86,901,419</b>	<b>(76,165,274)</b>	<b>10,736,145</b>

The accompanying notes form part of these financial accounts

# Consolidated Statement of Cash Flows

for the half year ended 31 December 2020

	<b>Consolidated</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	132	336
Payments for exploration, evaluation and development	(118,536)	(164,051)
Payments to suppliers and employees	(146,487)	(208,169)
<b>Net cash outflows used in operating activities</b>	<b>(264,891)</b>	<b>(371,884)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	-	-
<b>Net cash outflows from investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings	-	-
<b>Net cash inflows from financing activities</b>	<b>-</b>	<b>-</b>
Net decrease in cash and cash equivalents	(264,891)	(371,884)
Cash and cash equivalents at 1 July	807,693	857,008
<b>Cash and cash equivalents at 31 December</b>	<b>542,802</b>	<b>485,124</b>

The accompanying notes form part of these financial accounts

# Notes to the Consolidated Financial Statements

for the half year ended 31 December 2020

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## NOTE 1. BASIS OF PREPARATION OF HALF-YEARLY REPORT

### Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements 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 company as the full financial statements. Accordingly, this interim financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by East Energy Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2020.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### New and revised Accounting Standards

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

### Reporting Basis and Conventions

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

### Going Concern

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

The Group produced a net profit after tax for the half year of \$6,249,880 with net cash outflows from operating activities of \$264,891. As at 31 December 2020, the Group had a working capital surplus of \$536,465.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital and managing cashflow in line with available funds.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

# Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2020

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## NOTE 1. BASIS OF PREPARATION OF HALF-YEARLY REPORT (continued)

### Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Capitalisation of Exploration and Evaluation Expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

### Significant Accounting Estimates And Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### Impairment of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The Company arranged for an internal valuation for management purposes by an external third-party consultant in March 2021 and the valuation range was \$10.3m to \$13.7m with a preferred value of \$12m for the exploration assets. The Board has performed an internal assessment of this valuation for the period, and noted the improved market conditions, including the price of thermal coal increasing from US\$52.21/t in June 20 to US\$83.03/t in December 2020.

The Company has determined that it was appropriate to reverse the impairment that was recognised during the 30 June 2020 financial year of \$6,627,545, to reinstate the asset to its current value of \$12.3m.

## NOTE 2. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## NOTE 3. CONTINGENT ASSETS AND LIABILITIES

There have been no changes in contingent assets and liabilities since the last annual reporting date.

# Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2020

## NOTE 4. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	31.12.2020	30.06.2020
	\$	\$
Opening balance	5,700,000	12,120,000
Expenditure	130,214	207,545
Impairment loss of exploration assets	(130,214)	(6,627,545)
Reversal of impairment loss of exploration assets	6,627,545	-
Closing balance	12,327,545	5,700,000

The Company arranged an internal valuation for management purposes by an external third-party consultant of its exploration assets in March 2021 for the period ending 31 December 2020. The valuation report provided a range of \$10.3m to \$13.7m with a preferred value of \$12m of the exploration assets. The Board has performed an internal assessment of this valuation for the period which has resulted in a revised valuation of \$12.3m. The Company therefore reversed the impairment of \$6,627,545 for the period ending 31 December 2020.

## NOTE 5. NON-CURRENT LIABILITIES

### Borrowings

In the prior year, the Company entered into a further loan agreement with Noble Trading Co Limited for a further \$500,000. Key terms of the loan facility include an interest rate of 9.8% p.a. with the repayment of the facility and all accrued interest to occur three years after the date of the Agreement. The loan is provided on an unsecured basis.

	31.12.2020	30.06.2020
	\$	\$
Opening balance	2,065,973	1,409,571
Drawings during the year	-	500,000
Interest charged during the year	91,392	156,402
Total outstanding	2,157,365	2,065,973

## NOTE 6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers at this stage, and all the Group's assets and liabilities are located within Australia. The Board of Directors review internal management reports that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

# Directors' Declaration

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The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and other mandatory professional requirements;
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**REX LITTLEWOOD**  
**Managing Director and Chairman**

DATED at PERTH this 8<sup>th</sup> day of March 2021

## **Independent Auditor's Review Report**

### **To the Members of East Energy Resources Limited**

#### **Conclusion**

We have reviewed the half-year financial report of East Energy Resources Limited ("the Company") and Controlled Entity ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of East Energy Resources Limited and its Controlled Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for Conclusion**

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 Group in accordance with the ethical 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 our 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 in the same terms if given to the directors as at the time of this auditor's review report.



## **Emphasis of Matter**

Without modifying our opinion above, we draw attention to Note 1 to the half year report, which indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## **Responsibility of the Directors for the Half-Year Financial Report**

The Directors are responsible for the preparation of the half-year financial report that gives us 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 is free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

A review of a 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.

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LTD**

*ELIZABETH LOUWRENS*

**ELIZABETH LOUWRENS CA**  
**Director**

DATED at PERTH this 8<sup>th</sup> day of March 2021