GLOBE METALS & MINING LIMITED
ABN 33 114 400 609
AND CONTROLLED ENTITIES

Half Year Financial Report
31 December 2018

CONTENTS

DIRECTORS' REPORT 3
AUDITOR'S INDEPENDENCE DECLARATION 6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 9
CONSOLIDATED STATEMENT OF CASH FLOWS 10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 11
DIRECTORS' DECLARATION 19
INDEPENDENT AUDITOR'S REVIEW REPORT 20

DIRECTORS' REPORT

The directors of Globe Metals & Mining Limited ('**Globe**' or '**the Company**') submit the financial report of the Company and its controlled entities for the half year ended 31 December 2018.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Alice Wong	Chairperson
Alistair Stephens	Managing Director, Deputy Chairperson and Chief Executive Officer
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director

Directors have held office for the entire period and to date of this report.

COMPANY SECRETARY

Michael Fry

RESULTS

The result for the half year ended 31 December 2018 attributable to members of Globe was a net loss after tax of $0.818 Million (2017: $0.691 Million).

REVIEW OF OPERATIONS

During the half year ending 31 December 2018, Globe's main operational focus was on the advancement of its niobium project in Malawi (Africa).

Kanyika Niobium Project

During the half year, the Company continued to seek parties interested in off-take agreements for niobium and tantalum and explored a range of financing and investment options.

At the same time, the Company continued to examine opportunities for project enhancement, including reconfiguration of the project design. Arising from this, the mining and plant designs and engineering study components of the Definitive Feasibility Study were revised and updated to incorporate the findings from improvement programs and other engineering design changes.

The financial model underpinning the Definitive Feasibility Study was also updated for revised capital and operating costs, independently sourced, and updated sales and revenue expectations based on recent data. The financial model is subject to finalisation of a Development Agreement, which was further progressed during the half year and is currently with the Malawi Government.

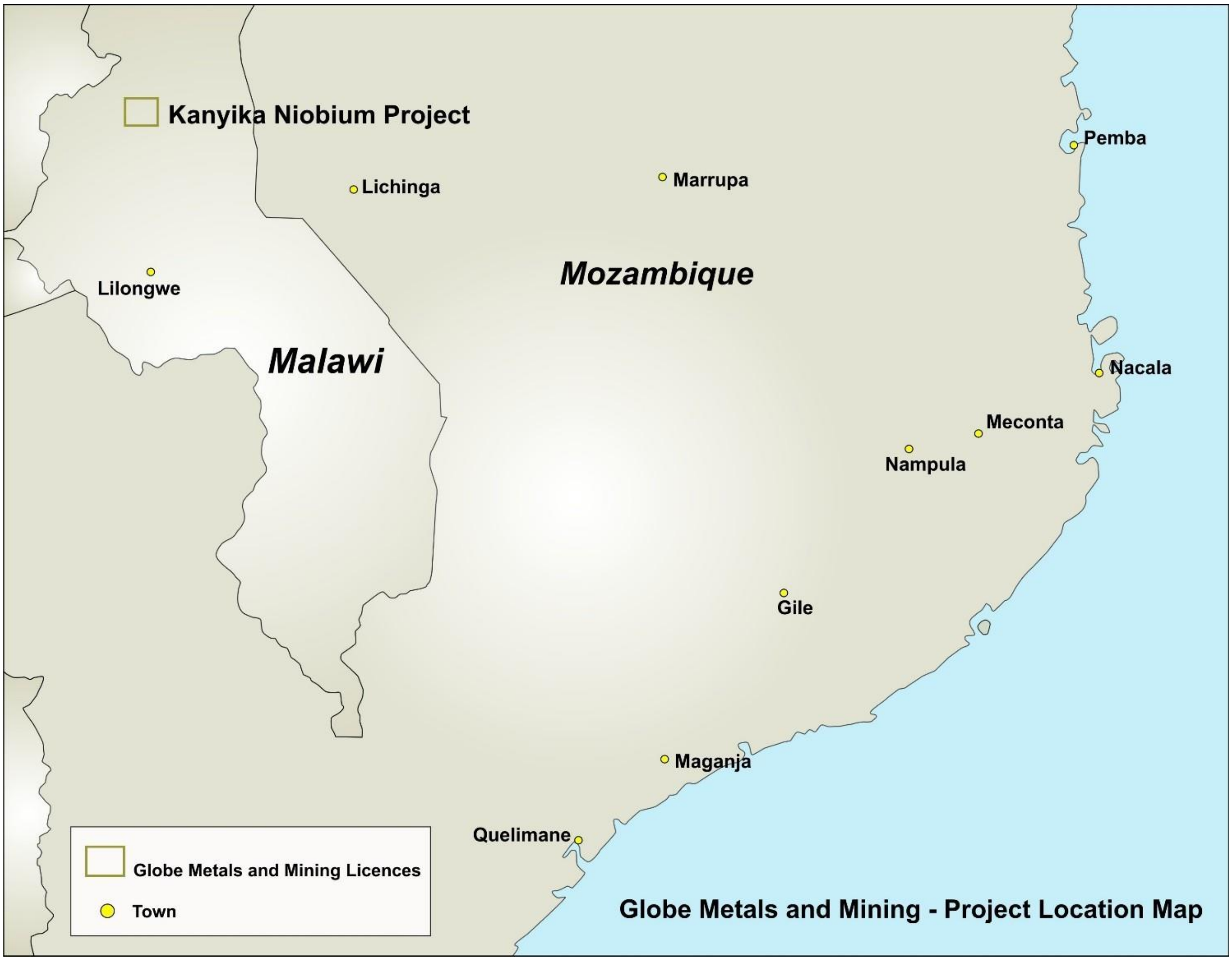
Mineral Tenement Schedule

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Under application	AML00026 – renewal application lodged	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15R	100%

(i) a Mining lease application was lodged by Globe with Malawi's Ministry of Natural Resources, Energy & Mining on 5 December 2014 covering in part the area previously covered by EPL1088/05 and was approved in June 2015 subject to the finalisation of a Development Agreement. This agreement currently remains with the Malawi Government. As required, Globe has lodged an application of the renewal of the Mining Lease previously approved (subject to the finalisation of a Development Agreement) and is recorded in the Malawi Mining Portal as AML00026, being application for mining lease number 26.

Note: AML: Application for Mining Lease (Malawi)
EPL: Exclusive Prospecting Licence (Malawi)

Project Location Map



AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2018.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Therefore, amounts in the directors' report and the half-year financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of directors.

Alistair Stephens

____
Mr Alistair Stephens
Managing Director

Dated this 15th day of March 2019
Perth

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Globe Metals & Mining Limited

As lead auditor for the review of half-year financial report of Globe Metals & Mining Limited for the half-year ended 31 December 2018, I declare 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.

This declaration is in respect of Globe Metals & Mining Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

T G Dachs
Partner
Perth
15 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2018

	31 December 2018 $'000	31 December 2017 $'000
Interest income	**114**	124
Administrative expenses	**(258)**	(171)
Compliance and regulatory expenses	**(42)**	(60)
Depreciation expenses	**(5)**	(9)
Directors fees	**(132)**	(130)
Employee benefits expenses	**(304)**	(346)
Occupancy expenses	**(26)**	(29)
Travel expenses	**(30)**	(16)
Foreign currency loss	**(7)**	(6)
Change in provision for foreign tax	**(70)**	-
Other expenses	**(58)**	(48)
Loss before income tax	**(818)**	(691)
Income tax expense	**-**	-
Loss for the half year	**(818)**	(691)
Other comprehensive loss after tax		
Items that will be reclassified to profit or loss in subsequent periods		
Changes in fair value of available for sale financial assets	-	12
Items that will not be reclassified to profit or loss in subsequent periods		
Net loss on equity instruments designated at fair value through other comprehensive income	(34)	-
Other comprehensive (loss)/income after tax	**(34)**	12
Total comprehensive loss for the half year	**(852)**	(679)
Loss Per Share attributable to ordinary equity holders of the Company	**Cents**	**Cents**
Basic and diluted loss per share	(0.18)	(0.14)

The above consolidated statement of 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 $'000	30 June 2018 $'000
CURRENT ASSETS			
Cash and cash equivalents		**8,215**	**9,339**
Trade and other receivables		**81**	**69**
Other current assets		**100**	**119**
TOTAL CURRENT ASSETS		**8,396**	**9,527**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	**27,894**	**27,660**
Financial assets at fair value through OCI		**22**	**-**
Available-for-sale financial assets		**-**	**56**
Plant and equipment		**183**	**188**
TOTAL NON-CURRENT ASSETS		**28,099**	**27,904**
TOTAL ASSETS		**36,495**	**37,431**
CURRENT LIABILITIES			
Trade and other payables		**211**	**245**
Provisions	4	**588**	**638**
TOTAL CURRENT LIABILITIES		**799**	**883**
TOTAL LIABILITIES		**799**	**883**
NET ASSETS		**35,696**	**36,548**
EQUITY			
Issued capital	5	**80,753**	**80,753**
Financial Assets Reserve		**(12)**	**22**
Accumulated losses		**(45,045)**	**(44,227)**
TOTAL EQUITY		**35,696**	**36,548**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2018

	Contributed Equity $'000	Accumulated Losses $'000	Financial Assets Reserve $'000	Total $'000
Balance at 1 July 2017	80,825	(42,873)	-	37,952
Loss for the period	-	(691)	-	(691)
Other comprehensive income	-	-	12	12
Total comprehensive loss for the period	-	(691)	12	(679)
Balance at 31 December 2017	80,825	(43,564)	12	37,273
Balance at 1 July 2018	**80,753**	**(44,227)**	**22**	**36,548**
Loss for the period	-	(818)	-	(818)
Other comprehensive loss	-	-	(34)	(34)
Total comprehensive loss for the period	**-**	**(818)**	**(34)**	**(852)**
Balance at 31 December 2018	**80,753**	**(45,045)**	**(12)**	**35,696**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2018

	31 December 2018 $'000	31 December 2017 $'000
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of value added taxes)	(1,051)	(851)
Proceeds from other income	-	3
Interest received	114	124
Net cash outflow from operating activities	**(937)**	**(724)**
Cash flows from investing activities		
Payments for exploration and evaluation assets	(180)	(157)
Payments for plant and equipment	-	(2)
Net cash outflow from investing activities	**(180)**	**(159)**
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Net cash inflow from financing activities	**-**	**-**
Net decrease in cash and cash equivalents	(1,117)	(883)
Cash and cash equivalents at the beginning of half year	**9,339**	**11,347**
Effects of exchange rate on cash and cash equivalents	(7)	(6)
Cash and cash equivalents at the end of half year	**8,215**	**10,458**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT AND CHANGES TO GROUP'S ACCCOUNTING POLICIES

1.1 Basis of Preparation

This consolidated interim financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Globe Metals & Mining Limited (the "Company") during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards effective as of 1 July 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has not yet applied AASB 16 *Leases* that is effective for the Group from 1 July 2019. The Group is still in the process of assessing the impact of this interpretation.

The Group has applied, for the first time, AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments*. As required by AASB 134, the nature and effect of these changes are disclosed below.

AASB 9 Financial Instruments ("AASB 9")

The Group has adopted AASB 9 as issued in July 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139"), bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The accounting policies have been updated to reflect the application of AASB 9 for the period from 1 July 2018 (see note 1.3 for details of the new accounting policy for receivables and other financial assets).

Measurement and classification
Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative. Consequently a derivative embedded in a debt instrument is not accounted for separately.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. The assessment was conducted on instruments that had not been derecognised as at 1 July 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2018 as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under (i.e. prior to 1 July 2018)	New measurement category under AASB 9 (i.e. from 1 July 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Other Assets	Loans and receivables	Financial assets at amortised cost
Other Financial Assets	Available for Sale financial assets	Financial assets at fair value through OCI
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost

The change in classification has not resulted in any re-measurement adjustments at 1 July 2018.

Impairment of financial assets
In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 1 July 2018, the management of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. The result of the assessment is as follows:

Items existing as at 1 July 2018 that are subject to the impairment provisions of AASB 9	Credit risk attributes	Cumulative additional loss allowance recognised on 1 July 2018 $'000
Cash and cash equivalents	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable financial institutions.	-
Trade and other receivables	The Group applied the simplified approach and concluded that the lifetime ECL for these assets would be negligible and therefore no loss allowance was required at 1 July 2018.	-
Other current assets	Other current assets relate to accrued interest on term deposits in Australia and security deposits for leases. These are considered to be recoverable on the basis that historically there have been no bad debts and the institution's term deposits are held with are reputable and have low credit risk.	-

AASB 15 Revenue from Contracts with Customers ("AASB 15")
The Group has adopted AASB 15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied using the full retrospective approach.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

At 1 July 2018, based on the Group's current operations, it does not earn any revenue from customer contracts. Accordingly the adoption of AASB 15 does not have any impact on the Group.

1.3 New accounting policies

Trade and other receivables (new policy applied from 1 July 2018 due to adoption of AASB 9 see note 1.2 above for further details)

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.
The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 120 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Financial assets designated at fair value through OCI as an equity instrument (new policy applied from 1 July 2018 due to adoption of AASB 9 see note 1.2 above for further details)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed equity investments under this category.

NOTE 2: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The Group has two reportable segments based on the development stage of the projects and of the mineral resource and exploration activities in Africa. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Activity by segment

Africa – Kanyika
The Africa – Kanyika segment includes the Kanyika Niobium project in Malawi with an estimated resource of 68 million tonnes.

Africa – Exploration
The Africa – Exploration segment relates to other exploration activities in Malawi.

(i) Segment performance	**Africa - Kanyika $'000**	**Africa - Exploration $'000**	**Total $'000**
Six months ended 31 December 2018			
Segment revenue	**-**	**-**	**-**
Segment result	**(502)**	**(182)**	**(683)**
Reconciliation of segment result to group net loss before tax			
Unallocated items:			
• Other revenue			**114**
• Other corporate expenses			**(249)**
Net loss before tax			**(818)**
(ii) Segment assets			
As at 31 December 2018			
• Plant and equipment	**24**	**136**	**160**
• Exploration and evaluation expenditure	**27,894**	**-**	**27,894**
• Other assets	**110**	**37**	**147**
Total Segment assets	**28,028**	**173**	**28,201**
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			**8,215**
• Other corporate assets			**79**
Total Assets			**36,495**

(iii) Segment performance

Six months ended 31 December 2017			
Segment revenue	-	-	-
Segment result	(447)	(319)	(766)
Reconciliation of segment result to group net loss before tax			
Unallocated items:			
• Other revenue			124
• Other corporate expenses			(49)
Net loss before tax from continuing operations			(691)

(iv) Segment assets	**Africa - Kanyika $'000**	**Africa - Exploration $'000**	**Total $'000**
As at 30 June 2018			
• Plant and equipment	25	136	161
• Exploration and evaluation expenditure	27,660	-	27,660
• Other assets	103	33	136
Total Segment assets	27,788	169	27,957
Reconciliation of segment assets to group assets			
• Cash and cash equivalents			9,339
• Other corporate assets			135
Total Assets			37,431

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Half year ended 31 December 2018 $'000	**Year Ended 30 June 2018 $'000**	**Half year ended 31 December 2017 $'000**
Non-Current			
Costs carried forward in respect of areas of interest in:			
Exploration and evaluation phases – at cost	**27,894**	27,660	27,270
Opening balance	**27,660**	27,103	27,103
Exploration expenditure capitalised during half year	**234**	557	167
At reporting date	**27,894**	27,660	27,270

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the Group's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 4: PROVISIONS

	December 2018 $'000	**June 2018 $'000**
Current		
Employee benefit provisions	**101**	85
Provision for foreign tax	**487**	553
	588	638

Movement in the provision for foreign tax is comprised as follows:

	December 2018 $'000	**June 2018 $'000**	**December 2017 $'000**
Opening balance	**553**	513	513
Add: provision raised during the period	**48**	23	3
Less: Amounts previously provided for reversed due to revised assessment	**(100)**		-
Add / (Less): foreign currency exchange adjustment	**(14)**	17	(10)
	487	553	506

The provision for foreign tax is based upon assessments received which the Company is defending. The provision has been estimated by the Company in accordance with the requirements of Australian Accounting Standards.

NOTE 5: ISSUED CAPITAL

	31 December 2018		**30 June 2018**	
	$'000	**Number**	**$'000**	**Number**
Fully paid ordinary shares	80,753	465,922,373	80,753	465,922,373

NOTE 6: COMMITMENTS

(a) Exploration commitments

In order to maintain current rights of tenure to mining tenements, the Company has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	31 December 2018 $'000	31 December 2017 $'000
Not longer than one year	**6**	318
Longer than one year, but not longer than 5 years	**6**	-
	12	318

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Consolidated statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Operating lease expenditure commitments

Operating lease expenses relate to leases for office and staff accommodation in Malawi, and office accommodation in Perth:

	31 December 2018 $'000	31 December 2017 $'000
Not longer than one year	**57**	113
Longer than one year, but not longer than 5 years	**-**	47
	57	160

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date of a material nature requiring disclosure (31 December 2017: none).

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

There are no material contingent assets and liabilities that exist as at reporting date (30 June 2018: none).

NOTE 9: DIVIDENDS

No dividends have been paid or provided for the period (31 December 2017: none).

DIRECTORS' DECLARATION

In the directors' opinion:

(a) The financial statements set out on pages 7 to 18 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and

(ii) 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 ended on that date, and

(b) there are reasonable grounds to believe that Globe Metals & Mining Limited 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 directors.

____
Mr Alistair Stephens
Managing Director

Dated this 15th day of March 2019
Perth

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's review report to the members of Globe Metals & Mining Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Globe Metals & Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 the Group is not in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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*.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated financial 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 the Group, 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*.

Ernst & Young

Ernst & Young

T G Dachs
Partner
Perth
15 March 2019