



Alliance Resources Limited

ABN 38 063 293 336

Interim Report - 31 December 2021

Alliance Resources Limited
Corporate directory
31 December 2021

Directors	Ian J Gandel (Chairman) Kevin J Malaxos (Managing Director) Anthony D Lethlean (Non-Executive Director) Stephen F Johnston (Non-Executive Director) (resigned 22 February 2022)
Company secretary	Robert P Tolliday
Registered Office and Principal Place of Business	Suite 3 51-55 City Road Southbank Victoria 3006 Phone +61 3 9697 9090
Share register	Computershare Investor Services GPO Box 2975 Melbourne Victoria 3001
Auditor	BDO Audit Pty Ltd Collins Square Tower Four Level 18, 727 Collins Street Melbourne Victoria 3008
Stock exchange listing	Alliance Resources Limited shares are listed on the ASX (ticker code: AGS)
Website	www.allianceresources.com.au
Email	info@allianceresources.com.au

Alliance Resources Limited
Directors' report
31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Alliance Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ian Jeffrey Gandel
Kevin John Malaxos
Anthony Dean Lethlean
Stephen Frederick Johnston (resigned 22 February 2022)

Principal activities

The principal activities of the Consolidated Entity during the six months ended 31 December 2021 were exploring its projects in South Australia (Wilcherry Project) and Western Australia for gold and base metals.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$757,000 (31 December 2020: \$673,000).

During the period, the Consolidated Entity released its Annual Report for the year to 30 June 2021. It also released its Quarterly Activities Reports to 30 June 2021 and 30 September 2021, with significant events as follows:

Wilcherry Project

The Company through its wholly owned subsidiary, Alliance (Eyre) Pty Ltd ('Eyre'), owns the Wilcherry Project 100%. The Project is located within the southern Gawler Craton on the northern Eyre Peninsula, South Australia and comprises seven exploration licences over approximately 1,470 km². The highest priority exploration target is the Weednanna Gold Deposit (Weednanna). The half year highlights from the Wilcherry Project include:

- A 9 hole, 1,605.6 metre diamond drill program completed at the Wilcherry Project to provide geotechnical information for construction of the processing plant and provide valuable information of the potential depth extensions to the Weednanna ore shoots and core for research and geotechnical purposes.
- The Research Project with CSIRO to undertake analysis of the Weednanna Au-Fe deposit genesis continued during the December quarter. The distribution and timing of alteration mineralogy at the deposit has been broadly mapped and linked to geochemical data. Diamond core will be used to link the alteration mineralogy to gold mineralisation and constrain the paragenesis of the deposit.
- A 47 hole, 6,180 metre RC drill program completed at the Weednanna deposit to test for extensions of gold mineralisation at Shoot 8, upgrade the gold resource in the Shoot 3 area from Inferred to Indicated category, and test for mineralisation between Shoots 7, 8 and 3.
- Project design work continued with preliminary underground development and stope designs produced. Progress continued on redesign of the Processing circuit to account for iron only processing, gold processing and gold and iron processing. Options are being considered to capture iron mineralisation in the gold feed prior to the tailings storage facility.
- Following evaluation of alternative / Green energy solutions for the Weednanna Project, the decision was made to advance to stage 2 of the project which entails collection of site specific wind and solar energy data. A SoDAR monitoring unit was installed onsite to collect wind speed and direction data and solar energy potential. The unit will remain onsite initially for 6 months to determine if incorporating wind and or solar power generation is economic for the project. Options assessed include PV (solar) with battery storage, wind generation, conventional diesel generation and combinations of all three options.
- The Bonza Prospect nickel sulphide exploration target was identified from analysis of historic RC drill chips at the Wilcherry Project. Petrographic analysis of drill chips confirm the presence of primary nickel sulphide (pentlandite) hosted in komatiitic ultramafic rocks. Regional geophysical data sets are being reviewed to plan a moving loop electromagnetic survey.

Alliance Resources Limited
Directors' report
31 December 2021

West Australian Gold-Nickel Projects (Alliance 100%)

The Nepean West Project is located approximately 65 km southwest of Kalgoorlie, Western Australia.

- Aboriginal heritage survey completed at Nepean West Project to provide for initial aircore drill testing of two priority gold exploration target areas.

The Kalgoorlie South Project is located approximately 15 km south of Kalgoorlie, Western Australia.

- Aeromagnetic survey completed at Kalgoorlie South Project to identify conceptual structural gold exploration targets. Data being interpreted by Alliances' geophysical consultants.

Corporate

During the reporting period:

Cash reserves

The Consolidated Entity had available cash reserves of approximately \$988,000 at 31 December 2021.

Investment in Tyranna Resources Limited

As at 31 December 2021 the Consolidated Entity holds 153,117 ordinary shares in Tyranna Resources Limited (TYX). In July 2021, the Company's investment in TYX was sold down resulting in the receipt of approximately \$78,000 and a realised loss of \$334,000.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

The Company completed a capital raising of approximately \$3.38 million (before costs) post half-year end.

On 22 February 2022, the board of Alliance received an intention to make an off market takeover bid (TOB) from Gandel Metals Pty Ltd (GM) to acquire all of the ordinary shares of the Company that GM and its associates do not already own for AUD\$0.18 per share. GM is controlled by Mr Ian Gandel, who is the non-executive chairman of AGS. The proposed TOB is conditional and GM has two months (from 22 February 2022) to lodge the Bidder's Statement with ASIC and send it to Alliance, Alliance Shareholders and ASX.

On 22 February 2022, non-executive director Mr Stephen Johnston tendered his resignation as a director of the board.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Alliance Resources Limited
Directors' report
31 December 2021

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'A. Lethlean', written over a horizontal line.

Anthony Lethlean
Chairman - Audit & Risk Committee

11 March 2022
Melbourne

DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF ALLIANCE RESOURCES LIMITED

As lead auditor for the review of Alliance Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Alliance Resources Limited and the entities it controlled during the period.



Wai Aw
Director

BDO Audit Pty Ltd

Melbourne, 11 March 2022

Alliance Resources Limited

Contents

31 December 2021

Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	15
Independent auditor's review report to the members of Alliance Resources Limited	16

General information

The financial statements cover Alliance Resources Limited as a Consolidated Entity consisting of Alliance Resources Limited and the entities it controlled at the end of, or during, the financial half-year. The financial statements are presented in Australian dollars, which is Alliance Resources Limited's functional and presentation currency.

Alliance Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 3
51-55 City Road
Southbank Victoria 3006

Principal place of business

Suite 3
51-55 City Road
Southbank Victoria 3006
Telephone +61 3 9697 9090

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 March 2022. The Directors have the power to amend and reissue the financial statements.

Alliance Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Revenue		
Interest income	3	2
Other income	-	50
Expenses		
Depreciation expense	(61)	(59)
Expense of share options granted	(45)	(50)
Tenement costs abandoned	-	(13)
Occupancy expenses	(28)	(27)
Administration expenses	(484)	(439)
Legal expenses	(1)	(8)
Director fees	(101)	(92)
Company secretarial	(37)	(35)
Finance costs	(3)	(2)
Loss before income tax expense	(757)	(673)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of Alliance Resources Limited	(757)	(673)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Change in fair value of equity investments at FVOCI	(15)	290
Other comprehensive income for the half-year, net of tax	(15)	290
Total comprehensive income for the half-year attributable to the owners of Alliance Resources Limited	(772)	(383)
	Cents	Cents
Basic loss per share	(0.36)	(0.38)
Diluted loss per share	(0.36)	(0.38)

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

Alliance Resources Limited
Statement of financial position
As at 31 December 2021

		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	3	988	3,306
Trade and other receivables		114	93
Other assets		104	22
Total current assets		<u>1,206</u>	<u>3,421</u>
Non-current assets			
Trade and other receivables		45	45
Financial assets at fair value through other comprehensive income	4	56	149
Property, plant and equipment		574	623
Right-of-use assets	5	90	101
Exploration and evaluation	6	17,125	15,107
Total non-current assets		<u>17,890</u>	<u>16,025</u>
Total assets		<u>19,096</u>	<u>19,446</u>
Liabilities			
Current liabilities			
Trade and other payables		743	432
Lease liabilities	7	19	19
Employee benefits		48	47
Deferred Income		70	-
Total current liabilities		<u>880</u>	<u>498</u>
Non-current liabilities			
Lease liabilities	8	78	87
Employee benefits		79	75
Total non-current liabilities		<u>157</u>	<u>162</u>
Total liabilities		<u>1,037</u>	<u>660</u>
Net assets		<u>18,059</u>	<u>18,786</u>
Equity			
Contributed equity	9	58,750	58,750
Reserves		502	138
Accumulated losses		<u>(41,193)</u>	<u>(40,102)</u>
Total equity		<u>18,059</u>	<u>18,786</u>

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

Alliance Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2020	53,814	(2,293)	(36,631)	14,890
Loss after income tax expense for the half-year	-	-	(673)	(673)
Other comprehensive income for the half-year, net of tax	-	290	-	290
Total comprehensive income for the half-year	-	290	(673)	(383)
Transfer on disposal of financial assets at fair value through other comprehensive income	-	744	(744)	-
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	50	-	50
Transaction costs incurred during the period in relation to the entitlement offer completed post half-year end	(55)	-	-	(55)
Balance at 31 December 2020	<u>53,759</u>	<u>(1,209)</u>	<u>(38,048)</u>	<u>14,502</u>
Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021	58,750	138	(40,102)	18,786
Loss after income tax expense for the half-year	-	-	(757)	(757)
Other comprehensive income for the half-year, net of tax	-	(15)	-	(15)
Total comprehensive income for the half-year	-	(15)	(757)	(772)
Transfer on disposal of financial assets at fair value through other comprehensive income	-	334	(334)	-
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	45	-	45
Balance at 31 December 2021	<u>58,750</u>	<u>502</u>	<u>(41,193)</u>	<u>18,059</u>

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

Alliance Resources Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Consolidated	
Note	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Cash flows from operating activities		
Payments to suppliers and employees	(438)	(172)
Finance Costs	(3)	(2)
Cashflow boost	-	50
	<u>(441)</u>	<u>(124)</u>
Interest received	3	2
Net cash used in operating activities	<u>(438)</u>	<u>(122)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(2,133)	(1,058)
Payment for a security bond	-	(30)
Proceeds from grant funding	185	-
Proceeds from disposal of investments	78	184
Net cash used in investing activities	<u>(1,870)</u>	<u>(904)</u>
Cash flows from financing activities		
Share issue transaction costs	-	(55)
Repayment of lease liabilities	(10)	(27)
Net cash used in financing activities	<u>(10)</u>	<u>(82)</u>
Net decrease in cash and cash equivalents	(2,318)	(1,108)
Cash and cash equivalents at the beginning of the financial half-year	<u>3,306</u>	<u>1,561</u>
Cash and cash equivalents at the end of the financial half-year	<u>3</u> <u>988</u>	<u>453</u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

For the half-year ended 31 December 2021, the Consolidated Entity made a loss after taxation of \$757,000 and had net cash outflows from operating activities of \$438,000, net cash outflows from investing activities of \$1,870,000 and net cash outflows from financing activities of \$10,000. At 31 December 2021, the Consolidated Entity reported cash and cash equivalents of \$988,000 as compared to \$3,306,000 at 30 June 2021.

Based on planned and committed expenditure, the Consolidated Entity will need to raise additional capital within the next 12 months to fund its activities. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern. The directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities through the normal course of business for the following reasons:

- The Consolidated Entity has cash reserves of \$3.51 million as at 11 March 2022, after the successful completion of its recent capital raise of \$3.38 million (before costs).
- The Consolidated Entity has a history of successfully raising funds. The Consolidated Entity also has the ability to raise further capital without shareholder approval under ASX Listing Rules 7.1 and 7.1A.
- The Consolidated Entity has prepared a twelve-month cash flow budget which includes additional cash outflows for exploration activity, which can be deferred in part if there are delays in raising capital or insufficient capital is raised to fund forecast expenditure.

On the basis that sufficient funding is expected to be raised to meet the Consolidated Entity's expenditure forecasts, the directors consider that the Consolidated Entity remains a going concern and these financial statements have been prepared on this basis.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Operating segments

The Consolidated Entity operates in the mineral exploration and mining industry in Australia.

The Consolidated Entity has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach'. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Consolidated Entity operates predominately in one geographical location. The Consolidated Entity does not have any operating segments with discrete financial information. The Consolidated Entity does not have any customers, and all the Consolidated Entity's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cashflows. As a result no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining the allocation of resources.

Note 3. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Cash at bank	913	3,231
Cash on deposit	75	75
	<u>988</u>	<u>3,306</u>

Note 4. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Ordinary shares - cost	1,048	1,461
Revaluation of investments to fair value	(992)	(1,312)
	<u>56</u>	<u>149</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:

Opening fair value	149	341
Partial disposals - Investment in Tyranna Resources Ltd	(78)	(431)
Movement in fair value	<u>(15)</u>	<u>239</u>
Closing fair value	<u>56</u>	<u>149</u>

Refer to note 11 for further information on fair value measurement.

Note 5. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Property lease - right-of-use	147	147
Less: Accumulated depreciation	(57)	(46)
	<u>90</u>	<u>101</u>

There were no re-measurements or modifications to the Consolidated Entity's leasing arrangements during the half year.

Note 6. Non-current assets - exploration and evaluation

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Exploration and evaluation costs carried forward - WA	338	205
Exploration and evaluation costs carried forward - Wilcherry Project	16,787	14,902
	<u>17,125</u>	<u>15,107</u>

Note 7. Current liabilities - lease liabilities

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Lease liability - Land Lease Liability	19	19

Note 8. Non-current liabilities - lease liabilities

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Lease liability - Land Lease Liability	78	87

Note 9. Equity - contributed equity

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>208,017,134</u>	<u>208,017,134</u>	<u>58,750</u>	<u>58,750</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Alliance Resources Limited
Notes to the financial statements
31 December 2021

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Ordinary shares	56	-	-	56
Total assets	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>
Consolidated - 30 Jun 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Ordinary shares	149	-	-	149
Total assets	<u>149</u>	<u>-</u>	<u>-</u>	<u>149</u>

There were no transfers between levels during the financial half-year.

Note 12. Events after the reporting period

The Company completed a capital raising of approximately \$3.38 million (before costs) post half-year end.

On 22 February 2022, the board of Alliance received an intention to make an off market takeover bid (TOB) from Gandel Metals Pty Ltd (GM) to acquire all of the ordinary shares of the Company that GM and its associates do not already own for AUD\$0.18 per share. GM is controlled by Mr Ian Gandel, who is the non-executive chairman of AGS. The proposed TOB is conditional and GM has two months (from 22 February 2022) to lodge the Bidder's Statement with ASIC and send it to Alliance, Alliance Shareholders and ASX.

On 22 February 2022, non-executive director Mr Stephen Johnston tendered his resignation as a director of the board.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Alliance Resources Limited
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Anthony Lethlean
Chairman - Audit & Risk Committee

11 March 2022
Melbourne

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alliance Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Alliance Resources Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the 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 for the review of the 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 2021 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 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.

BDO Audit Pty Ltd

BDO



Wai Aw
Director

Melbourne, 11 March 2022