YOUNG AUSTRALIAN MINES LIMITED

(Formerly known as Moly Mines Limited)
ABN: 32 103 295 521

FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED

30 JUNE 2018

ABN **32 103 295 521**

Board of Directors	**Position**
Nelson Chen	Executive Chairman
Trevor Coombe	Managing Director
Dr Lakshman Jayaweera	Non-Executive Director

Company Secretary
Susan Hunter

Principal & Registered Office

Level 11, 100 Edward St	PO Box 3160
Brisbane, Qld, 4000	Brisbane, Qld, 4001
Telephone:	+61 7 3210 0113
Email:	info@yamines.com
Website:	www.yamines.com

ASX Share Register

Computershare Investor Services Pty Ltd	
Level 11 / 172 St Georges Terrace	
Perth, WA, 6000	
Telephone:	+61 8 9323 2000 1300 850 505 (investors within Australia)
Fax:	+61 8 9323 2033
Website:	www.computershare.com

Auditor

BDO Audit Pty Ltd	
Level 10, 12 Creek St	
Brisbane, Qld, 4000	
Telephone:	+61 7 3237 5999
Fax:	+61 7 3221 9227
Web:	www.bdo.com.au

Your directors submit their report for the half-year ended 30 June 2018.

DIRECTORS

The names of Young Australian Mines Limited (the Company or Young Australian Mines) directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Nelson Chen	Executive Chairman
Gregory Jones	Acting Managing Director - resigned 9 April 2018
Gou Qing Lou	Acting Executive Director – resigned 28 May 2018
Ivo Polovineo	Non-Executive Director – resigned 4 April 2018
Dr Lakshman Jayaweera	Non-Executive Director – Appointed 6 April 2018
Trevor Coombe	Executive Director – Appointed 16 April 2018

REVIEW AND RESULTS OF OPERATIONS

Principal Activities

The principal activity of Young Australian Mines and its subsidiaries (the Group) during the half-year was the finalisation of the acquisition of Queensland Mining Corporation Ltd (QMC) and the planning for progress of the mineral properties owned by QMC.

Results from Operations

The net loss after taxation attributable to the members of Young Australian Mines for the half-year to 30 June 2018 was A$4,390,000 (half-year to 30 June 2017: A$4,729,000). The basic and diluted loss per share for the Company was 1.1 cents per share (half-year to 30 June 2017: 1.2 cents per share). The Company's financial performance and results have been, and will continue to be, attributable to its exploration, evaluation and development activities on its current ground holdings or properties that may be acquired in the future.

A prior period adjustment has been made to the valuation of the Ball Mills owned by the company. These were sold post period end, crystallising an impairment loss of $7,400,000. This impairment charge has been applied retrospectively as the asset was deemed to have been impaired prior to 1 January 2017, albeit the Company was unable to reliably estimate the recoverable amount at that time. The remaining carrying value of these assets have been transferred to assets held for sale in the Statement of Financial Position

Financial Position

As at 30 June 2018, the Company had A$1,836,000 cash on hand (31 Dec 2017: A$20,496,000).

Operations Summary

White Range Project – Cloncurry, Queensland

For the period under review, there has been work undertaken in several areas of the projects acquired with the QMC takeover. This work included review of the Kuridala pit design and optimisation, and environmental base line studies at Kuridala which will feed into the environmental approvals process.

Spinifex Ridge Iron Ore Mine – Pilbara, Western Australia

For the period under review, no exploration activity was undertaken on the Young Australian Mines Western Australia tenements. Environmental monitoring on the rehabilitated waste dumps associated with the Iron Ore mine continued.

The Spinifex Ridge Molybdenum / Copper Project remains on care and maintenance. Associated facilities and infrastructure remain in good condition and the camp was sold subsequent to the period end.

Corporate

The Company completed the acquisition of Queensland Mining Corporation Ltd (QMC) by implementing a compulsory acquisition following acceptance of over 90% of the QMC shareholders.

At the Annual General Meeting held in May the shareholders approved a resolution to change the name of the company to Young Australian Mines Ltd. This change of name reflects the new focus of the company towards the copper tenements in the Queensland Cloncurry region that were obtained through the takeover of QMC.
New auditors – BDO Audit Pty Ltd were appointed at the Annual General Meeting held in May.

Changes to the Board during the half year included the resignation of Directors Mr Greg Jones, Mr Ivo Polovineo, and Mr Gou Qing Lou. New Directors being Dr Lakshman Jayaweera and Mr Trevor Coombe were appointed. Mr Coombe was subsequently appointed as Managing Director in August 2018.

Securities on Issue

	Balance 30 June 2018
Ordinary shares	384,893,989
Options	
- EIG Warrants	4,832,157
Total options	**4,832,157**
Total potential ordinary shares	**389,726,146**

No circumstances or events have arisen subsequent to the end of the period that have had, or are likely to have, a material impact on the operations of the Group or the financial statements, other than:

- The Ball Mills in Western Australia which were originally purchased for the Spinifex Ridge molybdenum project were sold for a price of $550,000 with a further $100,000 to be paid following the provision of certain technical information regarding the Ball Mills.
- The camp at Spinifex ridge has been sold for $1,000,000 to Venturex Resources Ltd. This sale will eliminate caretaking costs that Young Australian Mines has been incurring in relation to the camp since the iron ore operation ceased some years ago.

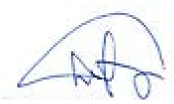
ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (when rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

AUDITORS' INDEPENDENCE DECLARATION

We have obtained the attached independence declaration from our auditors, BDO, which forms part of this report.

Signed in accordance with a resolution of directors.



Nelson Chen
Chairman
13 September 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF YOUNG AUSTRALIAN MINES LIMITED

As lead auditor for the review of Young Australian Mines Limited for the half-year ended 30 June 2018, 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 Young Australian Mines Limited and the entities it controlled during the period.

BDO Audit Pty Ltd

R M Swaby
Director

Brisbane, 13 September 2017

	Note	Six months ended 30 June 2018 A$'000	30 June 2017 A$'000
Interest revenue		50	267
Other income	2	89	1,009
Expenses:			
Administrative expenses	3	(2,462)	(2,908)
Exploration expenses		(412)	(109)
Project assessment expenses		-	(288)
Finance costs		(476)	(474)
Movement in fair value of other financial assets		(463)	-
Foreign currency losses		(716)	(2,226)
(Loss) before income tax		**(4,390)**	**(4,729)**
Income tax expense		-	-
(Loss) after income tax		**(4,390)**	**(4,729)**
Other comprehensive income		-	-
Total comprehensive (Loss) for the period		**(4,390)**	**(4,729)**
Earnings per share for (Loss) attributable to the ordinary equity holders of the Company:			
Basic (Loss) per share (cents per share)		(1.1)	(1.2)
Diluted (Loss) per share (cents per share)		(1.1)	(1.2)

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

	Note	30 June 2018 A$'000	31 Dec 2017 Restated A$'000	1 Jan 2017 Restated A$'000
Current Assets				
Cash and cash equivalents		1,836	20,496	63,677
Trade and other receivables	4	126	373	1,039
Inventories		7	51	49
Other financial assets – at fair value		400	862	-
		2,369	21,782	64,765
Assets held for sale (ball mills, Camp)	5	658	-	-
Total Current Assets		**3,027**	**21,782**	**64,765**
Non-Current Assets				
Receivables	4	750	669	315
Plant and equipment	5	127	735	1,043
Mineral Properties	6	51,186	50,738	-
Investments accounted for using the equity method		500	500	-
Total Non-Current Assets		**52,563**	**52,642**	**1,358**
Total Assets		**55,590**	**74,424**	**66,123**
Current Liabilities				
Trade and other payables	7	638	6,483	489
Provisions		-	-	1,177
Total Current Liabilities		**638**	**6,483**	**1,666**
Non-Current Liabilities				
Borrowings	8	13,966	13,250	14,283
Provisions	9	2,064	2,064	82
Total Non-Current Liabilities		**16,030**	**15,314**	**14,365**
Total Liabilities		**16,668**	**21,797**	**16,031**
Net Assets		**38,922**	**52,627**	**50,092**
Equity				
Contributed equity		402,673	402,673	402,673
Reserves		9,390	9,390	9,390
Accumulated losses		(373,141)	(368,751)	(361,971)
Non-controlling interest		-	9,315	-
Total Equity		**38,922**	**52,627**	**50,092**

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

	Note	30 June 2018 A$'000	30 June 2017 A$'000
Cash flows from operating activities			
Rent received		89	10
Payments to suppliers and employees		(2,114)	(2,626)
Payments for exploration and project evaluation expenses		(674)	(396)
Interest received		50	275
Interest paid		(473)	(477)
Net cash flows used in operating activities		**(3,122)**	**(3,214)**
Cash flows from investing activities			
Payments for plant and equipment		(88)	(1)
Acquisition of non-controlling interests		(15,450)	-
Net cash flows provided by investing activities		**(15,538)**	**(1)**
Net cash flows provided by financing activities		**-**	**-**
Net decrease in cash and cash equivalents		(18,660)	(3,215)
Net foreign exchange difference		-	(2,226)
Cash and cash equivalents at beginning of the period		20,496	63,677
Cash and cash equivalents at end of the period		**1,836**	**58,236**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Contributed Equity $'000	Accumulated Losses $'000	Warrants Reserve $'000	Non-Controlling Interest $'000	Total Equity $'000
At 1 January 2017	402,673	(354,571)	9,390	-	57,492
Retrospective adjustment upon prior period adjustment	-	(7,400)	-	-	(7,400)
At 1 January 2017 (restated)	402,673	(361,971)			50,092
Loss for the period	-	(4,729)	-	-	(4,729)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(4,729)	-	-	(4,729)
At 30 June 2017	**402,673**	**(366,700)**	**9,390**	**-**	**45,363**
At 1 January 2018	**402,673**	**(368,751)**	**9,390**	**9,315**	**52,627**
Loss for the period	-	(4,390)	-	-	(4,390)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(4,390)	-	-	(4,390)
Equity Transactions					
Acquisition of non-controlling interest	-	-	-	(9,315)	(9,315)
At 30 June 2018	**402,673**	**(373,141)**	**9,390**	**-**	**38,922**

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

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the half-year ended 30 June 2018 has been prepared in accordance with AASB 134 *Interim Financial Reporting,* International Financial Reporting Standard, IAS 34 *Interim Financial Reporting* and the Corporations Act 2001.

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

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2017 and considered together with any public announcements made by Young Australian Mines Limited during the half-year ended 30 June 2018, in accordance with the continuous disclosure obligations of the Australian Securities Exchange Listing Rules and Corporations Act requirements for unlisted disclosing entities.

The half-year financial report has been prepared on a historical cost basis, with the exception of plant and equipment, which is measured at fair value less costs to sell.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Going Concern

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

For the year ended 30 June 2018, the Group generated a consolidated loss of $4,390,000 and incurred operating cash outflows of $3,122,000. As at 30 June 2018 the Group had cash and cash equivalents of $1,836,000, net current assets of $2,389,000 and net assets of $38,922,000.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

1. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue to explore and develop the mineral properties in which it has an interest and to meet the Group's working capital requirements;
2. Sale of other financial assets;
3. Sale of other non-core assets; and
4. Reducing its working capital expenditure.

These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

1. The Group is currently reviewing a number of strategic and funding opportunities of which the terms and conditions are in the process of being negotiated;
2. Post year end the Group completed the sale of certain non-core assets for a total cash consideration of $1,550,000 (refer to note 13); and
3. Post year end the Group listed shares included in other financial assets were released from escrow and partially disposed, realising cash consideration of $273,000.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

Changes in Accounting Policy

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. There were no retrospective restatements required from the adoption of AASB 15 Revenue from Contracts with Customers or AASB 9 Financial Instruments.

Prior Period Adjustment

Ball Mill Valuation - The Group has made a prior period adjustment to impair the carrying value of its two 14MW polysius 7.3 x 12.5M' ball mills. For several years the recoverable amount of these assets had been difficult to verify due to the specific nature and market for these assets. These ball mills had been ordered specifically for the proposed molybdenum operation in Western Australia and when the planned development of this project was cancelled due to poor commodity prices the ball mills were not of a size and nature that readily made them applicable to other operations. Upon audit this uncertainty over the recoverable amount had been the basis for a qualified opinion. Soon after the end of the half year to 30 June 2018 a contract for the sale of these items was concluded and therefore a recoverable amount had been determined by reference to a market based arms-length transaction. The Directots consider that this recoverable amount represents an appropriate measure for the recoverable amount when the initial impairment trigger occurred upon cancellation of the planned development.

The tables below provide a summary of the amounts of the adjustments for each financial statement line item affected by the prior period adjustment as at 1 January 2017.

	As at 1 Jan 2017		
	Previously reported	Effect of adjustment	Restated
	A$'000	A$'000	A$'000
Current Assets	**64,765**	**-**	**64,765**
Non Current Assets			
Plant and Equipment	8,443	(7,400)	1,043
Total Non Current Assets	**8,758**	**(7,400)**	**1,358**
Total Assets	**73,523**	**(7,400)**	**66,123**
Total Liabilities	**16,031**	**-**	**16,031**
Net Assets	**57,492**	**(7,400)**	**50,092**
Total Equity	**57,492**	**(7,400)**	**50,092**

2. INCOME

	Six months ended	
	30 June **2018** A$'000	30 June **2017** A$'000
Other income		
Rental and other income	89	10
Sales revenue – iron ore (i)	-	999
	89	1,009

(i) In the six months ended 30 June 2017 an amount of $999,000 was booked as part of the final settlement arrangement received from MRL on the Iron Ore Sale and Purchase Agreement.

3. EXPENSES

	Six months ended	
	30 June **2018** A$'000	30 June **2017** A$'000
Administrative expenses		
External consultants	612	420
Directors' fees	471	356
Rent and outgoings	84	302
Salaries and wages	498	232
Legal fees	92	573
Other administrative expenses	705	1,025
	2,462	2,908

4. TRADE AND OTHER RECEIVABLES

	30 June **2018** A$'000	31 Dec **2017** A$'000
Current		
Trade receivables	50	27
GST receivables	23	224
Interest receivable	-	39
Prepayments	53	83
	126	373
Non-current		
Security deposits	750	669
	750	669

5. PLANT AND EQUIPMENT

	30 June 2018 A$'000	31 Dec 2017 A$'000
Plant and equipment		
- at cost	134	854
- accumulated depreciation	(7)	(119)
Total plant and equipment	127	735

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current and previous reporting periods

Carrying amount at beginning of the period	735	1,043
Additions	88	1
Additions on asset acquisition of QMC	-	46
Disposals	-	-
Obsolete plant and equipment written off (written down value)	-	(292)
Depreciation expense	(38)	(63)
Transfer to assets held for sale	(658)	-
Carrying amount at end of the period	127	735

Of the $735,000 value in plant and equipment as at 31 December 2017, an amount of $650,000 related to the value of the Ball Mills. During the half year sale options were evaluated and negotiated resulting in a sale being concluded shortly after the half year end. Camp assets with a carrying value $8,000 have also been sold post year end. A total of $658,000 has been transferred out of plant and equipment and into assets held for sale.

6. MINERAL PROPERTIES

Exploration and evaluation assets	51,186	50,738
Movements:		
Balance at the beginning of the year	50,738	-
Additions	673	109
Asset acquisition of QMC	187	50,738
Expenditure written off during the year	(412)	(109)
Balance at end of the year	51,186	50,738

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

7. TRADE AND OTHER PAYABLES

	30 June 2018 A$'000	31 Dec 2017 A$'000
Current		
Trade payables	638	2,245
Consideration Payable on QMC acquisition	-	4,238
	638	6,483

8. BORROWINGS

	30 Jun 2018 A$'000	31 Dec 2017 A$'000
Non-Current		
Loan – Hanlong (i)	13,966	13,250
	13,966	13,250

(i) Refer to the December 2017 Annual Report for full disclosure of the terms of the Hanlong loan. There has been no change to these terms during the half-year.

9. PROVISIONS

	30 Jun 2018 A$'000	31 Dec 2017 A$'000
Non-current		
Rehabilitation – Spinifex Ridge	1,413	1,413
Rehabilitation – QMC	637	637
Long service leave	14	14
	2,064	2064

Rehabilitation provisions are subject to inherent uncertainty in both timing and amount, and as a result are continuously monitored and revised. Timing is uncertain as the next stage in rehabilitation is dependent on success of previous work after a number of wet seasons. Iron ore rehabilitation will wait until economics determine the timing of removal of the low grade stockpile resource, after which the remaining rehabilitation can be undertaken.

10. SEGMENT INFORMATION

The Group operates predominately in the mineral exploration and development industry in Australia. For management purposes, the Group is organised into one main operating segment which currently involves the development of mineral resources. All of the Group's activities are inter-related and financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

11. RELATED PARTY TRANSACTIONS

Ultimate parent entity

Transactions and outstanding balances with Hanlong were as follows:

	Six months ended	
	30 June 2018 A$'000	30 June 2017 A$'000
Finance costs	473	477
Other	28	22

	30 June 2018 A$'000	31 Dec 2017 A$'000
Payables – loan interest	160	157
Loan from Hanlong	13,966	13,250

12. CONTINGENT LIABILITIES

(a) Shareholder loan reinstatement

To the extent that Young Australian Mines makes a final investment decision for a new project that is financed with debt facilities supported by Hanlong guarantees and security, the Shareholder Loan of US$10,300,000 will be increased by a maximum amount of US$44,700,000 on a pro rata basis by comparing the debt made available to the US$500,000,000 of financing required under the Subscription Agreement. Interest will not be payable by Young Australian Mines on the portion of the Loan not reinstated.

(b) Hanlong Finance Fee

At the Company's Annual General Meeting held in May 2012, shareholders approved a variation to the Subscription Agreement between Young Australian Mines and Hanlong Mining Investment Pty Ltd (Hanlong) signed in October 2009 as subsequently amended (Subscription Agreement). The variation restructures the terms and extends the period in which Hanlong has to provide Young Australian Mines with the benefits originally contemplated under the Subscription Agreement.

13. SUBSEQUENT EVENTS

No circumstances or events have arisen subsequent to the end of the period that have had, or are likely to have, a material impact on the operations of the Group or the financial statements, other than:

- The Ball Mills in Western Australia which were originally purchased for the Spinifex Ridge molybdenum project were sold for a price of $550,000 with a further $100,000 to be paid following the provision of certain technical information regarding the Ball Mills.
- The camp at Spinifex ridge has been sold for $1,000,000 to Venturex Resources Ltd. This sale will eliminate caretaking costs that Young Australian Mines has been incurring in relation to the camp since the iron ore operation ceased some years ago.

In accordance with a resolution of the directors of Young Australian Mines Limited in accordance with section 305(5) of the Corporations Act 2001, we state that:

In the opinion of the directors:

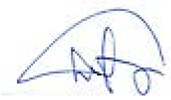
(a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Reporting*, International Accounting Standard IAS 34 *Interim Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

On behalf of the Board



Nelson Chen
Chairman
13 September 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Young Australian Mines Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Young Australian Mines Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 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 *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty relating 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.

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, 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 30 June 2018 and its 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*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO
RM Swaby

R M Swaby
Director

Brisbane, 13 September 2018