



Rimfire Pacific Mining NL

ACN 006 911 744

HALF-YEAR REPORT DECEMBER 2017

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Rimfire Pacific Mining NL and the entity it controlled at the end of, or during, the half-year ended 31 December 2017.

DIRECTORS

The names of the Directors of the Company during or since the end of the half-year and up to the date of this report are:

- Ian McCubbing – Non-Executive Director and Non-Executive Chairman since 25 July 2016,
- John Kaminsky – Executive Director since April 2004; Managing Director and CEO since 3 March 2015,
- Ramona Enconniere – Non-Executive Director since 29 April 2005,
- Andrew Greville – Non-Executive Director appointed 18 August 2017,
- Graham Billinghurst – Non-Executive Director, retired 24 November 2017.

PRINCIPAL ACTIVITY

The principal activity of the group is discovery and the development of economic mineral deposits.

RESULTS OF OPERATIONS

The net result for the half-year after applicable income tax expense was a loss of \$567,582. This compares with a loss in 2017 of \$430,062 for the corresponding period.

The Company believes the result again underscores the cost-efficient nature of its operations, with a high ratio of in ground expenditure to administration costs being achieved consistently over an extended period.

DIVIDENDS

No dividends were paid during the half-year, nor any recommended.

REVIEW OF OPERATIONS

During the first half of the Financial Year 2018, in conjunction with our earn-in Partner, New Gold Inc., a number of key activities and milestones on the Fifield Project were conducted and reached. During the period approximately 12,000m of drilling on the Fifield tenements was undertaken with types of drilling broken down as per Table 1 – Drilling Summary, which enabled further insight into the Fifield project area and definition of prospects.

Table 1 - Drilling Summary

Drilling Type	Holes	Metres
Auger	28	107
Aircore	371	9,321
Diamond Drill	1	275
Reverse Circulation	8	343
Totals	408	11,936

Key Activities undertaken included:

- **First pass drilling was completed on five initial target areas**
 - A total of 15 holes (3,061m) were completed in five target locations, using a combination of Reverse Circulation (RC) and Diamond Core (DD) drilling. A majority of holes were drilled at the Transit prospect.
 - This drilling, combined with the surface mapping activities and the Phase 1 Aircore drilling geochemistry, has generated significant insights for new gold target positions at Fifield, particularly to the East and North of the Sorpresa discovery, with the Transit prospect providing the most pleasing results.
 - Drill intersections above 10 gram-meter gold or anomalous copper above 1,000 ppm were reported:

Hole	Location	Main Intersection(s) #1	Including Intersection(s) #2
Fi0808	Transit	44m @ 0.63g/t Au from 36m	20m @ 1.11g/t Au from 48m
Fi0807	Transit	36m @ 0.64g/t Au from 0m	4m @ 2.32g/t Au from 12m and 2m @ 1.2g/t Au from 20m
Fi0810	Transit	30m @ 0.61g/t Au from 22m	6m @ 1.65g/t Au from 32m
Fi0624	Moonrise	2m @ 5.58g/t Au from 88m	
Fi0813	Transit	8m @ 0.13% Cu & 65 ppm Mo	2m @ 0.47% Cu & 131 ppm Mo

- **Completion of aircore phase two drilling geochemistry program**
 - 8,290m (343 holes) of aircore phase 2 reconnaissance drilling completed.
 - The major focus is Gold and Copper targeting which includes the potential for North Parkes style gold-copper porphyry in the Steeton prospect area.
- **Cobalt mineralisation observations being explored**
 - The Company initiated early stage programs of reconnaissance RC and aircore drilling to further the understanding of two areas (Tout East and Northern View) for potential cobalt mineralisation.

- A possible lateritic style of Nickel (Ni) and Cobalt (Co) mineralisation in the Tout East area with potential for a similar style to the neighbouring Sunrise nickel/cobalt/scandium deposit being developed by CleanTeQ (ASX “CLQ”), and Australian Mines (ASX “AUZ”).
- Subsequent to the Half Year the Company released historical results of Nickel and Cobalt from the Avondale prospect, additional drilling will commence at the prospect during the third quarter Financial Year 2018.
- **Further metallurgical test work was completed on the Sorpresa gold and silver resource**
 - Gravity recoveries, and finer grind sizes were tested on the gold/silver mineralisation at Roadside area.
 - Gold and silver process circuit design parameters are being reviewed with the latest metallurgy results.
- **Geological and structural understanding significantly increased in key areas of interest**
 - Major regional surface mapping programs, prospecting assessment and concept generation continued to the North and East of the Sorpresa resource.
- **New Gold Inc. earn-in benefits**

Project Benefits of earn-in with New Gold Inc. to Rimfire after the 2017 earn-in period include;

- Detailed airborne geophysics survey and interpretation for entire tenement package (669km²),
- Regional aircore and auger drilling geochemistry and lithology programs (Phase 1 and Phase 2),
 - Leading to a greater understanding of the underlying geology of the project area,
 - Identification of specific “key target domains” for further discovery potential,
- Extensive prospecting, sampling and mapping identifying new prospective targets in structural locations,
- Successful Transit gold-copper prospect RC drilling program produced the largest widths for gold intersections seen to date in the Fifield district, and 4km east of Sorpresa,
- Detailed alteration studies, looking for additional target vectors for large scale mineralising systems,
- Overall refinement of discovery concept and targeting criteria,
- Expenditure by New Gold Inc. in these combined programs of \$2m,
- 100% of the Project area remains with Rimfire.

■ **Work program approach for 2018**

The Company continues to actively pursue prospects and undertake discovery activity building on the learnings and understanding gained from project activity during 2017, including;

- Maintaining discovery growth focus on the regional opportunities for gold and copper including the emerging areas of Transit and Steeton,
- Investigating and defining the Cobalt and Nickel potential of the Fifield tenements in the Tout East, Northern View and Avondale prospects,
- Continuing to further define the assessment and economic appraisal of the Sorpresa resource.

CORPORATE ACTIVITIES

■ Junior resources sector outlook and financial position

Resources sector optimism is continuing to build on the positive outlook being experienced by the resources industry during the period and this is flowing to junior resource companies with a greater provision of capital (both in share issues and IPO's) and increased liquidity. Joint venture activity with major mining houses has increased and junior explorers are expected to have increased opportunities or partnerships during 2018 and 2019.

The Company remains in healthy financial shape with \$1.981m cash in the bank.

■ Capital Structure

As at 31 December 2017 the capital structure of the company was:

- Fully Paid Ordinary Shares 943,477,555
- Unlisted Options 2,300,000

■ Annual General Meeting

On November 24, 2017, the Company's Annual General Meeting (AGM) was held, with a good representation of shareholders in attendance, reflecting the keen interest in the Company and its activities. The Board and Management received strong endorsement from the shareholders with all resolutions being overwhelmingly carried. Andrew Greville was elected as a Non-Executive Director and Graham Billinghurst retired at the AGM.

■ Earn-in partner New Gold Inc. – sale of Peak Mines (Cobar NSW)

As reported in November 2017, New Gold Inc. has sold its operating mines and associated exploration rights at Cobar NSW to Aurelia Metals as part of its strategic decision to exit their Australian operations and concentrate on their North American operations. Sale completion will occur during the third quarter Financial Year 2018.

COMMODITY PRICING FOR THE HALF YEAR

During the period the gold price continued its apparent rerating finishing at USD 1,302 per ounce at the end of the half year representing a 6.5% increase over the half year. Gold and silver prices quoted www.kitco.com in New York in USD and copper and cobalt prices quoted LME.com in USD.

Commodity	Price USD 3 July 2017	Price USD 29 December 2017	FY18 Half Year % change
Gold (oz)	1,223	1,302	6.5%
Silver (oz)	16.07	16.91	5.2%
Platinum (oz)	907	928	2.3%
Copper (t)	5,893	7,157	21.4%
Cobalt (t)	59,000	75,000	27.1%

EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

Cessation of Earn-in by New Gold Inc.

Subsequent to the end of Half Year, our Earn-In Partner, New Gold Inc. elected not to proceed to the next stage of the Earn-In Agreement.

New Gold Inc. spent more than \$2m in the Fifield project area during the 12 month period to 31 December 2017. By withdrawing at this stage of the earn-in, this leaves Rimfire with 100% retained interest in the entire Fifield project area, and therefore no project dilution.

The withdrawal from the Rimfire Earn-in Agreement follows the earlier divestment decision by New Gold Inc. on 21 November 2017 to sell (to Aurelia Metals) its only other project area in Australia, The Peak Mines, Cobar NSW. Mark Petersen, VP Exploration, New Gold Inc. stated, "As a result of a recent change in New Gold's strategic direction, the company has determined that it will not be continuing with its option to earn an interest in the Fifield property."

Rimfire will continue to develop a process of review, rating and prioritisation of its key target domain opportunities to progress and grow the pipeline for new discoveries. The large number and diverse nature of the regional targets forms an important element of the Company's prospect portfolio strategy helping mitigate discovery risk by reducing dependency on any one prospect or commodity.

The Fifield area is well supported with access to infrastructure and skills suitable for any potential mining scenario and this adds further validity to the pursuit of mineralisation in the district. Shareholders should be encouraged by the mineralisation demonstrated on a large scale within the Fifield district. Rimfire believes a company making discovery opportunity exists within its tenements.

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained a declaration of independence from our auditors, in accordance with Section 307C of the *Corporations Act 2001*, as set out on page 7.



Ian McCubbing
Chairman

Dated in Melbourne, 15 March 2018



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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF RIMFIRE PACIFIC MINING NL

As lead auditor for the review of Rimfire Pacific Mining NL for the half-year ended 31 December 2017, 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 Rimfire Pacific Mining NL and the entities it controlled during the period.

James Mooney
Partner

BDO East Coast Partnership

Melbourne, 15 March 2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Half-Year Ended 31 Dec 17	Half-Year Ended 31 Dec 16
		\$	\$
Revenue			
Interest revenue		20,487	17,508
Expenses			
Professional costs		(52,336)	(75,150)
Employee benefits		(235,757)	(158,975)
Non-Executive Directors' benefits		(66,586)	(50,833)
Occupancy costs		(21,259)	(16,590)
Travel costs		(10,214)	(4,794)
Marketing expense		(79,696)	(45,553)
Depreciation		(16,057)	(16,527)
Insurance		(15,077)	(16,628)
Share registry and listing costs		(42,492)	(42,034)
Administration costs		(48,595)	(22,505)
		<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Loss before income tax		(588,069)	(447,570)
Income tax expense		(567,582)	(430,062)
Loss after income tax		<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Other comprehensive income		(567,582)	(430,062)
Total comprehensive loss for the half year		<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Loss per share for the period attributable to members of Rimfire Pacific Mining NL			
Basic loss per share (cents per share)	4	(0.06)	(0.05)
Diluted loss per share (cents per share)	4	(0.06)	(0.05)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31 Dec 17 \$	30 Jun 17 \$
CURRENT ASSETS			
Cash and cash equivalents		847,547	902,283
Other financial assets		1,133,060	1,666,057
Trade and other receivables		247,439	51,689
Other current assets		6,918	21,183
TOTAL CURRENT ASSETS		2,234,964	2,641,212
NON-CURRENT ASSETS			
Trade and other receivables		150,064	150,000
Property, plant & equipment		499,107	471,303
Exploration & evaluation costs	1	11,773,506	11,744,970
TOTAL NON-CURRENT ASSETS		12,422,677	12,366,273
TOTAL ASSETS		14,657,641	15,007,485
CURRENT LIABILITIES			
Trade and other payables		475,400	304,395
Provisions		87,770	33,120
TOTAL CURRENT LIABILITIES		563,170	337,515
NON-CURRENT LIABILITIES			
Provisions		334	8,251
TOTAL LIABILITIES		563,504	345,766
NET ASSETS		14,094,137	14,661,719
EQUITY			
Contributed equity	2	30,060,432	30,060,432
Accumulated losses		(15,966,295)	(15,398,713)
TOTAL EQUITY		14,094,137	14,661,719

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Contributed Equity	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2017	30,060,432	(15,398,713)	14,661,719
Total comprehensive loss for the period, net of tax	-	(567,582)	(567,582)
Transaction with owners in their capacity as owners			
Shares issued	-	-	-
Share issue costs	-	-	-
Balance at 31 December 2017	30,060,432	(15,966,295)	14,094,137
Balance at 1 July 2016	27,123,763	(14,473,931)	12,649,832
Total comprehensive loss for the period, net of tax	-	(430,062)	(430,062)
Transaction with owners in their capacity as owners			
Shares issued	3,038,080	-	3,038,080
Share issue costs	(101,583)	-	(101,583)
Balance at 31 December 2016	30,060,260	(14,903,993)	15,156,267

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Half-Year Ended 31 Dec 17 \$ Inflows (Outflows)	Half-Year Ended 31 Dec 16 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (GST inc.)	(661,994)	(451,316)
Sundry income received	-	500
Interest received	25,136	11,971
Net cash used in operating activities	(636,858)	(438,845)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from property, plant and equipment	1,500	-
Reimbursements of exploration expenditure	1,075,833	-
Purchase of property, plant and equipment	(57,995)	(3,569)
Payments for mining tenement exploration	(970,214)	(628,307)
Net cash provided by investing activities	49,124	(631,876)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	3,008,004
Costs associated with share issue	-	(71,507)
Net cash provided by financing activities	-	2,936,497
Net increase in cash and cash equivalents	(587,734)	1,865,776
Cash and cash equivalents at beginning of the half-year	2,568,340	770,680
Cash and cash equivalents at the end of the half-year	1,980,607	2,636,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED DECEMBER 31 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Statement of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the *Corporations Act 2001* and comply with Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. *Compliance with Australian Accounting Standards* ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. The half-year report does not include notes of the type normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial statements of the company for the year ended 30 June 2017, together with any public announcements made during the half-year.

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 2017.

(a) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, and has determined that their application to the financial statement is either not relevant or not material.

(b) Going concern

During the half-year ended 31 December 2017, the consolidated entity incurred an operating loss of \$567,582 (31 December 2016: \$430,062) and had cash outflows from operating activities of \$636,858 (31 December 2016: \$438,845).

The half-year 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 following reasons:

- As at 31 December 2017, the consolidated entity had cash and cash equivalent of \$1,980,607.
- Consolidated entity is anticipating the receipt of a R&D tax incentive in the next 6 months. This is consistent with previous years' cash inflows from the government grant.
- Consolidated entity has prepared cash flow forecasts that indicate sufficient cash to meet exploration expenditure for the next 12 months.

Based on the consolidated entity successfully actioning the above, the Directors believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

1. EXPLORATION AND EVALUATION COSTS

	Half-Year Ended 31 Dec 17	Year Ended 30 Jun 17
	\$	\$
Opening balance	11,744,970	11,434,071
Additional expenditure	28,536	795,062
Research and development tax offset	-	(484,163)
Closing balance	11,773,506	11,744,970

2. CONTRIBUTED EQUITY

	Half-Year Ended 31 Dec 17	Half-Year Ended 30 Jun 17	Half-Year Ended 31 Dec 17	Half-Year Ended 30 Jun 17
	Number of Securities No.		Value of Securities \$	
<u>Issued Shares</u>				
Fully paid ordinary shares	943,477,555	943,330,058	30,060,432	30,060,260
 Ordinary shares on issue at beginning of period	 943,477,555	 798,659,607	 30,060,432	 27,123,763
<u>Movements during the period:</u>				
Shares issued:				
In the previous period	-	-	-	-
19 August 2016	-	77,345,238	-	1,624,250
1 September 2016	-	42,087,117	-	883,830
2 November 2016	-	23,809,525	-	500,000
5 December 2016	-	1,428,571	-	30,000
19 May 2017	-	147,497	-	5,162
 Transaction costs relating to issues	 -	 -	 -	 (106,572)
Shares on issue at end of period	943,477,555	943,477,555	30,060,432	30,060,260

Listed Options

At the date of this report there were 2,300,000 unissued shares under option at an issue price of \$0.0295 (2.95 cents) per option, with 575,000 options to vest on 25 September 2018, and 1,725,000 options to vest on 25 September 2019 exercisable before 25 September 2020.

3. SEGMENT REVENUES AND RESULTS

The consolidated entity operated predominantly in one industry being mining, exploration and prospecting and one geographical area, being Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers “CODM”) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the annual report.

4. Earnings Per Share

	Consolidated Entity	
	31 Dec 17	31 Dec 16
	\$	\$
a. Reconciliation of Earnings to Loss		
Loss used in the calculation of basic EPS	(567,582)	(430,062)
Loss used in the calculation of dilutive EPS	(567,582)	(430,062)
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		
Potential ordinary shares	-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	943,477,554	891,712,656
c. Classification of securities		
Share options are anti-dilutive and securities have not been classed as potential ordinary shares and are not included in the determination of dilutive EPS.	-	-
d. Ordinary shares issued between reporting date and time of completion of the financial report		
Basic loss per share (cents per share)	(0.06)	(0.05)
Diluted loss per share (cents per share)	(0.06)	(0.05)

5. EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

Subsequent to the end of Half Year, our Earn-In Partner, New Gold Inc. elected not to proceed to the next stage of the Earn-In Agreement.

New Gold Inc. spent more than \$2m in the Fifield project area during the 12 month period to 31 December 2017. By withdrawing at this stage of the earn-in, this leaves Rimfire with 100% retained interest in the entire Fifield project area, and therefore no project dilution.

The withdrawal from the Rimfire Earn-in Agreement follows the earlier divestment decision by New Gold Inc. on 21 November 2017 to sell (to Aurelia Metals) its only other project area in Australia, The Peak Mines, Cobar NSW. Mark Petersen, VP Exploration, New Gold Inc. stated, "As a result of a recent change in New Gold's strategic direction, the company has determined that it will not be continuing with its option to earn an interest in the Fifield property."

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The Fifield area is well supported with access to infrastructure and skills suitable for any potential mining scenario and this adds further validity to the pursuit of mineralisation in the district. Shareholders should be encouraged by the mineralisation demonstrated on a large scale within the Fifield district. Rimfire believes a company making discovery opportunity exists within its tenements.

DIRECTORS' DECLARATION

In the opinion of the Directors of Rimfire Pacific Mining NL:

- (a) The financial statements and notes of the consolidated entity are in accordance with *Corporations Act 2001*, including:
 - i) Giving a true and fair view of the financial position as at 31 December 2017 and the performance for the half-year ended on that date of the consolidated entity; and
 - ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) 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 the Directors

On behalf of the Directors



Ian McCubbing
Chairman

Dated in Melbourne, 15 March 2018

COMPETENT PERSONS DECLARATIONS

Historic material previously published under 2004 JORC standard that is referenced in this report:

The information provided in “Review of Operations” is available to view on the Company Website at hyperlink: [ASX Announcements](#). 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.

In addition, the Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements which operated under the 2004 JORC reporting requirements.

Sorpresa Mineral Resource estimate reported under JORC 2012 code

Resource	Cut off	Category	Mt	Grade		Contained Metal	
				(g/t) Au	(g/t) Ag	Koz Au	Moz Ag
Gold	0.5 g/t Au	Indicated	2.0	1.14	27	73	1.7
		Inferred	1.0	0.9	12	29	0.4
		Total	3.0	1.06	22	103	2.1
Silver	25 g/t Ag	Indicated	2.1	0.21	62	14	4.2
		Inferred	1.2	0.19	40	7	1.6
		Total	3.4	0.20	54	22	5.8
Combined	0.5 g/t Au & 25 g/t Ag	Indicated	4.1	0.67	45	88	5.9
		Inferred	2.2	0.51	27	37	2.0
		Total	6.4	0.61	38	125	7.9

Notes:

1. Sorpresa Mineral Resource reported to JORC 2012 standards, at 0.50 g/t Au and 25g/t Ag cut-off
2. The figures in this table are rounded to reflect the precision of the estimates and include rounding errors.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rimfire Pacific Mining NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rimfire Pacific Mining NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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, and 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 31 December 2017 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*.

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 31 December 2017 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 East Coast Partnership

Two handwritten signatures are shown. The top signature is "BDO" in a stylized, blocky font. Below it is a cursive signature that appears to read "Mooney".

James Mooney
Partner

Melbourne, 15 March 2018

CORPORATE DIRECTORY

Directors: Ian McCubbing (Non-Executive Chairman)
John Kaminsky (Managing Director & CEO)
Ramona Enconniere (Non-Executive Director)
Andrew Greville (Non-Executive Director)

Company Secretary: Melanie Leydin

Registered Office: Suite 411, 530 Little Collins Street
Melbourne VIC 3000

Auditors: BDO East Coast Partnership
Level 18, Tower 4, 727 Collins Street
Melbourne VIC 3008

Company Lawyers: McNab Lawyers
Level 3, 139 Collins Street
Melbourne VIC 3000

Carton Solicitors
Suite 211, 19 Milton Parade
Malvern VIC 3144

Share Registry: Computershare Investor Services Pty Ltd
117 Victoria Street
West End QLD 4001
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