ELEMENT 25 LIMITED

ABN 46 119 711 929

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2020

This 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 2020 and any public announcements made by Element 25 Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Element 25 Limited ("E25" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Seamus Cornelius

Justin Brown

John Ribbons

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and loss after tax for the half-year is set out below:

	2020	
	Revenues	**Results**
	$	**$**
Consolidated entity	148,317	(4,836,576)

During the half-year ended 31 December 2020, the Company's principal focus was on financing, permitting and commencement of construction on the first stage of development of the Company's world class Butcherbird asset.

The current work plan has dry commissioning scheduled for the first half of March 2021 followed by wet commissioning and first ore processing in the second half of the month.

This is the first stage of a multi-stage development strategy for the Project, which will then be expanded to produce high purity manganese sulphate monohydrate (**HPMSM**) for electric vehicle (**EV**) batteries to power the global transition away from fossil fuel powered mobility.

Manganese is looming as an increasingly important ingredient for EV batteries, with potential supply constraints looming for nickel and cobalt forcing battery manufacturers to look at high manganese cathodes to produce the vast amount of cathode material needed by the EV industry in coming years.

The Project is ideally placed to feed this demand, with advanced flowsheet development work in 2019 and 2020 confirming a simple, unique, ambient temperature and atmospheric pressure leach process for the E25 ores which, when combined with offsets, will target the world's first Zero Carbon Manganese™ for EV cathode manufacture.

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 on page 4.

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

Justin Brown
Managing Director
Perth, 9 March 2021

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the review of Element 25 Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Element 25 Limited and the entities it controlled during the half-year.

Rothsay Auditing

Daniel Dalla
Partner

9 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Half-year	
	2020	2019
	$	$
REVENUE AND OTHER INCOME		
Interest received	**8,317**	7,230
Net gain on sale of mining interests	**90,000**	1,120,000
Government grants received	**50,000**	1,105,388
Royalties received	**-**	40,925
EXPENDITURE		
Administration expenses	**(360,372)**	(251,052)
Depreciation expense	**(3,704)**	(2,778)
Exploration and pre-feasibility expenditure	**(1,565,561)**	(2,002,838)
Finance costs on lease liabilities	**(7,135)**	-
Salaries and employee benefits expense	**(305,716)**	(125,990)
Secretarial and share registry expenses	**(197,967)**	(92,015)
Fair value losses on financial assets	**(810,538)**	(31,227)
Share-based payments expense	**(1,733,900)**	(120,400)
LOSS BEFORE INCOME TAX	**(4,836,576)**	(352,757)
Income tax expense	**-**	-
LOSS FOR THE HALF-YEAR AFTER TAX	**(4,836,576)**	(352,757)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**1,907**	(7,369)
Other comprehensive income for the period, net of tax	**1,907**	(7,369)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF ELEMENT 25 LIMITED	**(4,834,669)**	(360,126)
Basic and diluted loss per share (cents)	**(4.0)**	(0.4)

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

ELEMENT 25 LIMITED
31 DECEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents		**11,269,012**	2,697,175
Trade and other receivables		**808,086**	1,184,417
Financial assets at fair value through profit or loss	3	**3,608,422**	4,302,502
TOTAL CURRENT ASSETS		**15,685,520**	8,184,094
NON-CURRENT ASSETS			
Other receivables		**120,000**	-
Plant and equipment		**14,340**	6,868
Right-of-use assets	4	**1,089,596**	-
Mining properties	5	**7,250,566**	-
TOTAL NON-CURRENT ASSSETS		**8,474,502**	6,868
TOTAL ASSETS		**24,160,022**	8,190,962
CURRENT LIABILITIES			
Trade and other payables		**1,652,846**	1,106,194
Lease liabilities		**487,596**	-
Employee benefit obligations		**247,484**	235,443
TOTAL CURRENT LIABILITIES		**2,387,926**	1,341,637
NON-CURRENT LIABILITIES			
Lease liabilities		**539,468**	-
Employee benefit obligations		**826**	808
TOTAL NON-CURRENT LIABILITIES		**540,294**	808
TOTAL LIABILITIES		**2,928,220**	1,342,445
NET ASSETS		**21,231,802**	6,848,517
EQUITY			
Issued capital	6	**33,887,791**	16,403,737
Reserves		**5,834,074**	4,098,267
Accumulated losses		**(18,490,063)**	(13,653,487)
TOTAL EQUITY		**21,231,802**	6,848,517

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 2020

	Contributed Equity	Share-based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
BALANCE AT 1 JULY 2019	15,841,862	3,848,693	(36,454)	(11,832,216)	7,821,885
Loss for the period	-	-	-	(352,757)	(352,757)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	(7,369)	-	(7,369)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(7,369)	(352,757)	(360,126)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	26,875	-	-	-	26,875
Employee and consultant share-based payments	-	120,400	-	-	120,400
BALANCE AT 31 DECEMBER 2019	15,868,737	3,969,093	(43,823)	(12,184,973)	7,609,034
BALANCE AT 1 JULY 2020	**16,403,737**	**4,140,524**	**(42,257)**	**(13,653,487)**	**6,848,517**
Loss for the period	**-**	**-**	**-**	**(4,836,576)**	**(4,836,576)**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	**-**	**-**	**1,907**	**-**	**1,907**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**-**	**-**	**1,907**	**(4,836,576)**	**(4,834,669)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	**18,044,001**	**-**	**-**	**-**	**18,044,001**
Share issue transaction costs	**(559,947)**	**-**	**-**	**-**	**(559,947)**
Employee and consultant share-based payments	**-**	**1,733,900**	**-**	**-**	**1,733,900**
BALANCE AT 31 DECEMBER 2020	**33,887,791**	**5,874,424**	**(40,350)**	**(18,490,063)**	**21,231,802**

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

ELEMENT 25 LIMITED

31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Half-year	
	2020	**2019**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for exploration expenditure	**(2,363,377)**	(2,197,528)
Payments to suppliers and employees	**(997,511)**	(492,968)
Proceeds on sale of mining interests	**590,000**	620,000
Interest received	**8,088**	7,725
Interest paid	**(7,135)**	-
Proceeds from sale of financial assets at fair value through profit or loss	**498,297**	738,081
Payments for financial assets at fair value through profit or loss	**-**	(60,000)
Royalties received	**-**	40,925
Research and development tax incentive received	**-**	615,465
Government grant funding received	**50,000**	348,382
Net cash outflow from operating activities	**(2,221,638)**	(379,918)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for feasibility and development expenditure	**(6,436,579)**	-
Payment for security bond	**(120,000)**	-
Payments for plant and equipment	**(11,317)**	(267)
Net cash outflow from investing activities	**(6,567,896)**	(267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of ordinary shares	**18,044,000**	26,875
Payments of share issue transaction costs	**(559,946)**	-
Principal elements of lease payments	**(122,365)**	-
Net cash inflow from financing activities	**17,361,689**	26,875
Net increase/(decrease) in cash and cash equivalents	**8,572,155**	(353,310)
Cash and cash equivalents at the beginning of the half-year	**2,697,175**	2,552,400
Effects of exchange rate changes on cash and cash equivalents	**(318)**	(504)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**11,269,012**	2,198,586

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed 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 2020 and any public announcements made by Element 25 Limited 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 unless otherwise stated.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. In preparing this half-year financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2020.

Going Concern

The consolidated financial statements of E25 have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2020 the Group incurred a loss after income tax of $4,836,576 (31 December 2019: $352,757 loss), net cash outflows from operating activities of $2,221,638 (31 December 2019: $379,918), a working capital surplus of $13,297,594 (30 June 2020: $6,842,457 surplus) and at that date had cash on hand of $11,269,012 (30 June 2020: $2,697,175).

The Group's ability to continue as a going concern and to continue to fund its planned activities is dependent on manganese ore being produced from Stage 1 of the Butcherbird Project, and if necessary, raising further capital.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following key factors:

- The Group is progressing towards the first ore being processed scheduled for the second half of March 2021;
- The Group has established a facility with Acuity Capital as an alternative funding option;
- The Group’s ability to secure other sources of funding, including share placements and offtake financing arrangements; and
- Ability to realise certain financial assets of the Group through the sale of its listed shares.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

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 (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily based on geographic location of assets given that the type of work done in each location is of a similar nature. Operating segments are therefore determined on this basis, with two segments being identified: Australia; and France.

The activities undertaken in each segment are those associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

	Australia		France		Total	
	Half-year		Half-year		Half-year	
	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Segment revenue	**90,000**	2,266,313	**-**	-	**90,000**	2,266,313
Reconciliation of segment revenue to total revenue:						
Interest revenue					**8,317**	7,230
Government grants					**50,000**	-
Total revenue and other income					**148,317**	2,273,543
Segment results	**(1,458,397)**	283,921	**(17,161)**	(20,447)	**(1,475,558)**	263,474
Reconciliation of segment result to net loss before tax:						
Fair value losses on financial assets					**(810,538)**	(31,227)
Other corporate and administration					**(2,550,480)**	(585,004)
Net loss before tax					**(4,836,576)**	(352,757)

	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
	$	$	$	$	$	$
Segment operating assets	**8,977,801**	1,000,000	**-**	-	**8,977,801**	1,000,000
Reconciliation of segment operating assets to total assets:						
Other corporate and administration assets					**15,182,221**	7,190,962
Total assets					**24,160,022**	8,190,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2020 $	30 June 2020 $
Australian listed equity securities	**3,608,422**	4,302,502

The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of these financial instruments, or changes in its classification as a result of a change in the purpose or use of these assets.

Due to their short-term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

NOTE 4: LEASES

	31 December 2020 $	30 June 2020 $
(a) Amounts recognised in the Statement of Financial Position		
The statement of financial position shows the following amounts relating to leases:		
Right-of-use assets		
Buildings	**1,089,596**	-
Depreciation charge of right-of-use assets - buildings (capitalised to mining properties)	**59,833**	-
Lease liabilities		
Current	**487,596**	-
Non-current	**539,468**	-
	1,027,064	-

Additions to the right-of-use assets during the reporting period were $1,149,429.

	31 December 2020 $	31 December 2019 $
(b) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income		
The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:		
Interest expense (included in finance costs)	**7,135**	-
Expense relating to short-term leases (included in administration expenses)	**52,284**	71,232

The total cash outflow for leases during the reporting period was $181,784.

NOTE 4: LEASES (continued)

(c) The Group's leasing activities

During the reporting period the Group leased portable accommodation units for use at the Butcherbird site. The agreement is for a two-year term and contains payments for mobilisation and de-mobilisation of the units to and from site. This agreement is classified as a lease in accordance with AASB 16 *Leases* and has required the recognition of a right-of-use asset (the leased item) and a financial liability (lease payments).

Where the Group is lessee, the Group recognises a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group's current lease agreement does not contain any extension options.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received, and any initial direct costs.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Where leases have a term of less than 12 months or relate to low value assets the Group may apply exemptions in AASB 16 to not capitalise any such leases and instead recognise the lease payments on a straight-line basis as an expense in profit or loss. The Group has one short-term lease for the office premises for a fixed period for 12-months commencing 1 July 2020 for which the exemption is utilised and the payments are expensed to profit or loss.

NOTE 5: MINING PROPERTIES

	31 December 2020 $	30 June 2020 $
Feasibility and development costs carried forward in respect of mining areas of interest		
Opening balance	-	-
Capitalised feasibility and development costs	7,250,566	-
Closing balance	7,250,566	-

Feasibility and development costs for each area of interest that has successfully completed pre-feasibility are accumulated. Accumulated costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where feasibility activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The Group released a positive pre-feasibility study on the Butcherbird Manganese Project in May 2020. Following successful completion of pre-feasibility, the Group began capitalising feasibility and development costs for the Butcherbird Manganese Project from 1 July 2020.

The ultimate recoupment of costs carried forward for projects in the feasibility and development phase is dependent on the successful development and commercial exploitation or sale of the respective mining areas of interest. Amortisation of the costs carried forward for the feasibility and development phase is not being charged until the commencement of production.

NOTE 6: EQUITY SECURITIES ISSUED

	2020 Shares	2020 $	2019 Shares	2019 $
As at 1 July	**98,362,274**	**16,403,737**	91,907,274	15,841,862
Issues of ordinary shares during the half-year				
Issued for cash at $0.78 per share	**12,500,000**	**9,750,000**	-	-
Issued for cash at $0.40 per share	**16,822,500**	**6,729,000**	-	-
Issued upon exercise of options at $0.35 per share	**2,200,000**	**770,000**	-	-
Issued upon exercise of options at $0.30 per share	**2,000,000**	**600,000**	-	-
Issued upon exercise of options at $0.26 per share	**750,000**	**195,000**	-	-
Issued upon exercise of options at $0.215 per share	**-**	**-**	125,000	26,875
Share issue transaction costs	**-**	**(559,946)**	-	-
As at 31 December	**132,634,774**	**33,887,791**	92,032,274	15,868,737

NOTE 6: EQUITY SECURITIES ISSUED (continued)

	Number of options	
	2020	**2019**
As at 1 July	**15,350,000**	14,750,000
Movement of options during the half-year		
Issued, exercisable at $1.209, on or before 4 November 2025[(1)]	**2,000,000**	-
Issued, exercisable at $0.44, on or before 13 July 2025[(1)]	**1,000,000**	-
Issued, exercisable at 27.3 cents, on or before 20 November 2024[(1)]	**-**	2,000,000
Exercised at $0.35, expiry 20 November 2020	**(2,200,000)**	-
Exercised at $0.30, expiry 22 August 2020	**(2,000,000)**	-
Exercised at $0.26, expiry 22 February 2024	**(750,000)**	-
Exercised/expired on 18 November 2019, exercisable at $0.215	**-**	(2,750,000)
Expired on 2 December 2019, exercisable at $0.22	**-**	(200,000)
Expired on 2 December 2019, exercisable at $0.30	**-**	(200,000)
As at 31 December	**13,400,000**	13,600,000

(1) The weighted average fair value of employee and consultant options granted during the half-year was 57.8 cents (2019: 6.0 cents), for a total value of $1,733,900 (2019: $120,400) included within share-based payments expense. The fair values were calculated by using the Black-Scholes European Option Pricing Model applying the following weighted average inputs:

	2020	**2019**
Weighted average exercise price (cents)	**95.3**	27.3
Weighted average life of the option (years)	**5.0**	5.0
Weighted average underlying share price (cents)	**86.3**	18.5
Weighted average expected share price volatility	**89.5%**	50.0%
Weighted average risk-free interest rate	**0.3%**	0.8%

NOTE 7: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 8: COMMITMENTS

At 31 December 2020 the Group had contracted capital expenditure commitments of $3,516,489.

NOTE 9: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2020, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Element 25 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.

Justin Brown
Managing Director
Perth, 9 March 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

ELEMENT 25 LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Element 25 Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of 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 2020 and of its 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 Group 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility 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 the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a 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.

Rothsay

Rothsay Auditing

Dated 9 March 2021

DDalla

Daniel Dalla
Partner