



EMERALD
RESOURCES NL

ABN 72 009 795 046

Half-Year Report

31 December 2017

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Directors

Non-Executive Chairman
Simon Lee AO

Managing Director
Morgan Hart

Non-Executive Directors
Justin Tremain
Ross Stanley
Ross Williams

Company Secretary
Mark Clements

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Auditors

HLB Mann Judd
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PERTH WA 6000

Bankers

National Australia Bank
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WEST PERTH WA 6005

Securities Exchange Listing

Australian Securities Exchange
Home Exchange: Perth, Western Australia
Exchange Plaza, 2 The Esplanade
PERTH WA 6000
Code: EMR

Your directors present their report on the consolidated entity consisting of Emerald Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

1. Directors

The following persons were directors of Emerald Resources NL during the half-year and up to the date of this report:

Simon Lee AO
 Morgan Hart
 Justin Tremain
 Ross Stanley
 Ross Williams

2. Review of Operations

Cambodian Gold Project

Background

The Cambodian Gold Projects are located approximately 275 kilometres north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer Figures 1 and 2). The town of Kratie is located on the Mekong River approximately 90 kilometres to the west and the capital of Mondulkiri, Saen Monorom is located approximately 60 kilometres to the south-east.

Topography of the project area is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small-scale mining activity. All-weather gravel haulage roads in the area provides good access to within 25 kilometres of the Okvau exploration camp site. The current access over the remaining 25 kilometres is sufficient for exploration activities but a new all-weather road is planned as part of project development.

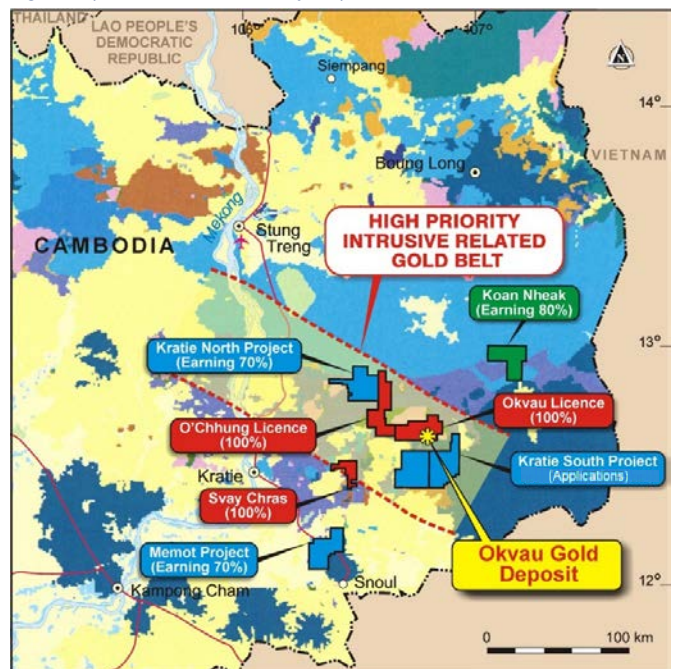
The Okvau Deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as Intrusive Related Gold mineralisation. Exploration to date has demonstrated the potential for large scale gold deposits with the geology and geochemistry analogous to other world class Intrusive Related Gold districts, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

Recent joint venture and earn-in agreements, along with the new exploration licence applications, has expanded Emerald's ground position in Eastern Cambodia from 374km² to 1,442km².

Figure 1 | Cambodian Gold Project | Location



Figure 2 | Cambodian Gold Project | Exploration Licence Areas



2. Review of Operations (continued)

Okvau Gold Project | Definitive Feasibility Study

In May 2017, Emerald completed a Definitive Feasibility Study ('DFS') on the development of a 2.0Mtpa operation at the Okvau Gold Project ('Project'). The DFS confirms the robust nature of the Project with an initial operating LOM of over 7 years, producing approximately 106,000 ounces of gold per annum on average from a single open pit, with ore processed through a plant utilising a single stage crushing circuit and SAG mill, sulphide flotation, regrind mill followed by conventional cyanide leaching (refer ASX Announcement 1 May 2017).

The estimated operating costs highlight a financially robust Project with an average LOM AISC of US\$731/oz. The estimated Project development costs are US\$91M with a further US\$7M in mining contractor establishment costs and pre-production mining costs.

At a gold price of US\$1,250/oz, the Project generates a NPV(5%) of US\$223M pre-tax and US\$160M post-tax with an Internal Rate of Return (IRR) of 48% pa pre-tax and 40% post-tax. The payback of the total capital funding requirement is expected to be 26 months pre-tax and 30 months post-tax, from first gold pour.

The Okvau Gold Deposit has an independent JORC Indicated and Inferred Mineral Resource estimate of 17.7Mt grading 2.01g/t gold containing 1.141Moz (at 0.70g/t gold cut-off) (refer Table 1).

Table 1 | Okvau Mineral Resource Estimate - June 2017

Okvau June 2017 Mineral Resource Estimate									
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

The Project has a JORC Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table 2).

Table 2 | Okvau Ore Reserve Estimate - June 2017

Okvau June 2017 Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)
Probable Ore Reserve	14.26Mt	1.98g/t Au
		907koz

The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth.

2. Review of Operations (continued)

Key operating and financial outcomes of the DFS, prepared in accordance with the requirements of the JORC Code (2012 Edition), are presented in Table 3.

Table 3| DFS Economics¹

Ore Reserve	14.3Mt @ 2.0g/t gold for 907koz contained		
LOM Strip Ratio (waste t : ore t)	5.8:1		
Throughput	2.0Mtpa		
Life of Mine	7.2 years		
Processing Recovery	84%		
Recovered Ounces	762koz		
Average Annual Production	106koz		
Pre-production Capital Costs ²	US\$98M		
Sustaining Capital Costs ³	US\$23M		
Gold Price	US\$1,100/oz	US\$1,250/oz	US\$1,400/oz
Gross Revenue	US\$838M	US\$952M	US\$1,066M
LOM Net Revenue (net of royalties ⁴ and refining)	US\$801M	US\$911M	US\$1,020M
Operating Cash Flow pre-tax	US\$309M	US\$419M	US\$528M
Project Cash Flow pre-tax	US\$188M	US\$298M	US\$407M
NPV _(5%) pre-tax	US\$133M	US\$223M	US\$313M
NPV _(5%) post-tax ⁵	US\$95M	US\$160M	US\$224M
Payback pre-tax	3.0 years	2.2 years	1.6 years
Payback post-tax	3.3 years	2.5 years	1.8 years
IRR pre-tax	32%	48% pa	63%
IRR post-tax ⁵	27%	40% pa	54%
LOM C1 Cash Costs ⁶	US\$650/oz	US\$650/oz	US\$650/oz
LOM All-In Sustaining Costs ('AISC') ⁷	US\$725/oz	US\$731/oz	US\$737/oz

¹ All economics are 100% attributable to Emerald

² Includes US\$4.4M of capital spares and first fills and US\$7.0M of mining capital and pre-production mining costs

³ Includes US\$14.4M of rehabilitation and closure costs

⁴ Royalties include Government royalty of 2.5% gross and a third-party royalty of 1.5% gross (capped to A\$22.5M)

⁵ Taxation is based on current and draft Cambodian tax law and does not allow for any incentives or tax relief

⁶ C1 Cash Costs include site based mining, processing and admin operating costs plus transport and refining costs

⁷ Includes C1 Cash Costs plus royalties, sustaining capital costs, contributions to environmental & community funds and rehabilitation & closure costs

Okvau Gold Project | Pre-Development Activities

Development Permitting

The focus for Emerald during the period was progression of the environmental approval and mining licence application to allow for development of the Okvau Gold Project.

Emerald submitted the comprehensive Environment & Social Impact Assessment ('ESIA') to the Ministry of Environment ('MoE') which was subsequently accepted with the terms and conditions of the approval (the 'Environmental Contract') and environmental licence ('Environmental Licence') successfully negotiated. Both the Environmental Contract and Environmental Licence have been approved by the Minister of Environment.

The terms of the Environmental Contract are in accordance with Emerald's Environmental and Social Impact Assessment ('ESIA'). These terms include commitments by Emerald to make various annual contributions to Environmental and Social Funds established for the benefit of local communities and ongoing environmental management. These amounts were included in Emerald's DFS released in May 2017. In addition, Emerald is required to provide surety to the Cambodian MoE for rehabilitation of the Okvau Gold Project upon closure. This surety will be provided progressively over 5 years and was also provided for in Emerald's ESIA. The Okvau Gold Project is situated within the Phnom Prich Wildlife Sanctuary ('PPWS'). Under the Environmental Contract the MoE will undertake to rezone the project area from 'Conservation Zone' to 'Sustainable Use Zone'.

2. Review of Operations (continued)

During the period Emerald has submitted an Industrial Mining Licence application to the Ministry of Mines & Energy of Cambodia. The application area covers approximately 11km² within the existing Okvau Exploration Licence. The Industrial Mining Licence application cannot be finalised prior to the rezoning of the Industrial Mining Licence area. Emerald expects the Ministry of Mines & Energy to issue the Industrial Mining Licence within 4 to 6 weeks following the rezoning of the Project.

Emerald is also in discussions with the Ministry of Economy & Finance regarding the negotiation of a Mineral Investment Agreement ('MIA') which is provided for under Cambodian mining law. The MIA is an agreement Emerald has requested to provide long term certainty and is not required for the development and operation of the Project. The MIA will provide all stakeholders long term certainty regarding the operation of the Project and the fiscal regime. Emerald is working to finalise the MIA during the first half of 2018.

Emerald remains confident of the key permits and licences (namely the rezoning of the PPWS and the issue of the Industrial Mining Licence) being obtained in the short term and allow commencement of development of the Project in the first Half of 2018.

Project Financing

During the period, Emerald mandated a project financier for the provision of debt funding for the development of the Project. Technical due diligence is completed and legal due diligence is ongoing. Completion of financing on the terms of the mandate would fund the majority of the development costs.

Development Work

In order to further de-risk the development of the Okvau Gold Project, Emerald has embarked on a 323 hole shallow (~25m) grade control program drilled on 10m by 10m spacing. On 27 December 2017 and 10 January 2018, the Company announced the assay results of the initial 152 holes. The remaining 171 holes are to be drilled following the grant of the Okvau Industrial Mining License.

Select results (+20gm) from these holes include (refer to ASX Announcements dated 27 December 2017 and 10 January 2018 for complete results):

- | | |
|---|--|
| ▪ 2m @ 12.19g/t from 25m (GC0229) | ▪ 11m @ 11.70g/t from 19m (eoh) (GC0732) |
| ▪ 3m @ 26.36g/t from 19m (GC0239) | ▪ 3m @ 9.15g/t from 10m (GC0736) |
| ▪ 18m @ 3.68g/t from 12m (GC0240) | ▪ 5m @ 4.62g/t from 7m (GC0769) |
| ▪ 2m @ 11.09g/t from 28m (eoh) (GC0241) | ▪ 3m @ 7.10g/t from 23m (GC0805) |
| ▪ 5m @ 10.48g/t from 14m (GC0277) | ▪ 8m @ 3.15g/t from 21m (eoh) (GC0809) |
| ▪ 2m @ 11.37g/t from 18m (GC0731) | ▪ 9m @ 3.83g/t from 15m (GC0217) |
| ▪ 6m @ 10.35g/t from 12m (GC0199) | ▪ 12m @ 2.75g/t from 2m (GC0690) |
| ▪ 8m @ 7.59g/t from 16m (GC0200) | ▪ 17m @ 2.53g/t from 11m (GC0691) |
| ▪ 12m @ 4.74g/t from 17m (eoh) (GC0202) | ▪ 17m @ 2.27g/t from 14m (eoh) (GC0692) |
| ▪ 4m @ 22.93g/t from 18m (GC0688) | ▪ 3m @ 6.98g/t from 13m (GC0700) |
| ▪ 11m @ 2.84g/t from 19m (eoh) (GC0201) | ▪ 18m @ 2.35g/t from 0m (GC0724) |
| ▪ 9m @ 4.17g/t from 11m (GC0205) | |

Okvau Gold Project | Exploration Activities

Exploration Drilling

During the Quarter, Emerald received results from the recently completed follow up drilling at the Samnang Prospect located immediately adjacent to the Okvau Gold Deposit. The follow up program consisted of 15 RC holes for 1,272m. The latest results confirm the continuity of high grade gold mineralization at Samnang with results including (refer ASX Announcement dated 27 December 2017 for complete results):

- 5m @ 7.48g/t gold from 14m (RC17SAM005)
- 3m @ 8.93g/t gold from 28m (RC17SAM003)

This drilling was following up on previous intersections including (refer Renaissance Minerals Ltd ASX announcements 17 August 2012 and 4 February 2013):

- 9m @ 6.60g/t gold from 0m (DD12OKV102)
- 10m @ 2.46g/t gold from 36m and 9m @ 2.03 g/t gold from 52m (RC12OKV118)

The next phase of drilling at the Samnang Prospect is scheduled to follow the granting of the Okvau Industrial Mining License with the aim to complete a JORC 2012 compliant resource estimate for the prospect.

2. Review of Operations (continued)

New Tenure | Earn-In/Joint Venture Agreements

Mekong Minerals Joint Venture | Applications

Emerald has also received approval from the MME for the Joint Venture with Mekong Minerals announced 13 July 2017. The final Joint Venture covers two of the four projects the Memot Project and the Kratie North Project where Emerald has the right to earn up to 70% of the projects (refer ASX Announcement dated 13 July 2017). The Joint Venture projects provide Emerald with 411km² of highly prospective tenure with historical drilling demonstrating significant gold discovery potential in close proximity to the Okvau Gold Project. Emerald was not satisfied with the outcomes of its legal due diligence on the other two projects, the Preak Khlong and O'Khtung Projects and subsequently excluded them from the Joint Venture. However, Emerald's interest in the prospectivity of these projects has not diminished and will complete IEIA's and has made exploration licences applications over 392km² of these project areas in its own name.

Angkor Gold Corp. Earn-In Agreements

The Koan Nheak Project is a Joint Venture with Angkor Gold Corp ('Angkor Gold', TSX listed) whereby Emerald may earn up to an 80% interest (refer ASX announcement 13 July 2017). The Agreement approved by the Cambodian Ministry of Mines & Energy during the period. Emerald recently undertook initial reconnaissance field work within the Koan Nheak exploration licence focusing in and around the Peacock Prospect as previously defined by Angkor Gold. No drilling has ever been undertaken within the exploration licence.

The geochemical soil sampling program successfully defined a large gold-in-soils anomaly, supported by critical pathfinder elements, extending over 1,000 metres from north to south and up to 400 metres east to west.

From a total of 14 rock chip samples collected during the reconnaissance field works at the Peacock Prospect, up to 9.94g/t gold was returned from a sample comprised of quartz comb veined diorite located at the southern intrusive contact and within the gold-in-soil anomaly footprint.

Shallow soil sampling was completed at nominal spacing of 400m line spacing by 400m along line intervals in the main prospect area, and 800m line spacing by 400m along line spacing in the surrounding area. The sampling targeted thin "laterite" soil horizons to establish the geochemical background and anomalous threshold for the sample media in the project area as well as identify the extent of the geochemical anomaly footprint at the Peacock Prospect.

Infill auger soil sampling was undertaken across the core of the surface geochemical anomaly identified by the broad spaced shallow soil sample lines at 100m spacing along line intervals. The infill auger soil program was designed to:

- Provide preliminary assessment on possible bedrock mineralisation tenor, extent and structural controls for gold and other element anomalism beneath the near surface supergene accumulation zone in the lateritic soil profile; and
- Provide additional geological mapping data beneath extensive shallow lateritic soil cover

The compiled results support the presence of a fault related, gold anomalous epithermal vein system on the south to south-southeast of the mapped intrusion at the Peacock Prospect. The geological setting and multi-element data suggest that the hydrothermal system is zoned about the main diorite intrusion from a Cu-Mo-Te "porphyry-like" association in NE striking regional structure along the NW part of the diorite, trending through Cu-Ag+/- Au anomalism over the core of the intrusion, and an Au-As-Sb-Pb-Te association in the south and south-southeast where a NE striking fold belt in sandstone dominated stratigraphy interacts with the southern margin of the diorite (Refer to ASX Announcement dated 27 December 2017 for complete results).

Corporate Activities

Emerald's consolidated cash and listed investment position at 31 December 2017 was approximately A\$5.1 million, comprising A\$4.7 million in cash plus A\$0.4 million in listed investments.

The net operating loss after tax for the half year ended 31 December 2017 was \$8,188,871 (2016: \$4,898,579).

The Company holds 2,361,528 shares and 1,180,764 options (20 cents) in Riversgold Limited ('Riversgold'; ASX:RGL). Emerald's investment in Riversgold is subject to an escrow to July 2018. At the current Riversgold share price of 17.5 cents, Emerald's holding has a value of approximately A\$0.4 million. This share and option holding was the result of Emerald's wholly owned subsidiary Renaissance Minerals Ltd vending the Quicksilver Gold Project in Alaska into an unlisted company which was subsequently vended into Riversgold for share and option consideration.

During the period, the Company presented at the 121 Mining Conference in Hong Kong and held meetings with numerous institutional investors.

2. Review of Operations (continued)

About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Detailed information on all aspects of Emeralds' projects can be found on the Company's website www.emeraldresources.com.au.

3. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporation Act 2001*.



Morgan Hart
Managing Director

Perth, Western Australia, 16 March 2018

Forward Looking Statement

This report contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

100% of the production target referred to in the 1 May 2017 announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

The Company believes it has a reasonable basis to expect to be able to fund and develop the Okvau Gold Project for the reason set out above and in this announcement. However, there is no certainty that the Company can raise funding when required.

Competent Persons Statements

The information in this report that relates to Grade Control Results at the Okvau Gold Deposit is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is an employee to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Craig Johnson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Fellow of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Emerald Resources NL for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



**Perth, Western Australia
16 March 2018**

**N G Neill
Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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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 2017 and any public announcements made by Emerald Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Emerald Resources NL and its subsidiaries.

The financial report is presented in the Australian currency.

Emerald Resources NL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Emerald Resources NL
1110 Hay Street
West Perth WA 6005

A description of the nature of the group's operations is included in the directors' report on pages 4 - 9, which is not part of this financial report.

The financial report was authorised for issue by the directors on 16 March 2018. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.emeraldresources.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2017

	Notes	Consolidated 31 December 2017 \$	31 December 2016 (Restated) \$
Revenue		63,615	139,763
Other income	4	403,663	172,369
Administrative costs		(172,031)	(158,432)
Consultancy expenses		(182,990)	(105,981)
Employee benefits expense		(460,895)	(222,657)
Share based payment expenses		(37,110)	-
Occupancy expenses		(63,610)	(53,563)
Compliance and regulatory expenses		(62,794)	(96,416)
Insurance expenses		(30,162)	(49,943)
Depreciation expense		(42,735)	(7,846)
Finance costs		(2,935)	(2,328)
Exploration and feasibility expenditure expensed	7	(3,300,871)	(4,501,545)
Exploration and feasibility acquisition costs expensed	7	(4,300,000)	-
Fair value loss on financial assets		-	(12,000)
Other expenditure		(16)	-
(Loss) before income tax		(8,188,871)	(4,898,579)
Income tax benefit/(expense)		-	-
(Loss) attributable to owners		(8,188,871)	(4,898,579)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
- Exchange differences on translation of foreign operations	9	812	(18,709)
- Revaluations of available-for-sale financial assets	9	-	(1,321,222)
Total comprehensive loss for the period		812	(1,755,128)
Loss for the period is attributable to			
Owners of the company		(8,188,871)	(4,898,579)
Non-controlling interest		-	-
Loss for the period		(8,188,871)	(4,898,579)
Total comprehensive loss for the period is attributable to			
Owners of the company		(7,137)	(1,755,131)
Non-controlling interest		7,949	3
Total comprehensive loss for the period		812	(1,755,128)
Earnings per share			
Basic and diluted (loss) / earnings per share - cents per share		(0.39)	(0.29)

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

As at 31 December 2017

	Notes	Consolidated	
		31 December 2017 \$	30 June 2017 \$
Current Assets			
Cash and cash equivalents	5	4,650,921	8,529,435
Trade and other receivables		243,509	517,282
Financial assets at fair value through profit or loss	6	405,844	30,000
Total Current Assets		5,300,274	9,076,717
Non-Current Assets			
Property, plant and equipment		201,136	121,149
Exploration and evaluation expenditure	7	33,600,930	37,900,933
Total Non-Current Assets		33,802,066	38,022,082
Total Assets		39,102,340	47,098,799
Current Liabilities			
Trade and other payables		1,015,212	944,579
Total Current Liabilities		1,015,212	944,579
Total Liabilities		1,015,212	944,579
Net Assets		38,087,128	46,154,220
Equity			
Issued capital	8	88,608,962	88,460,333
Reserves	9	2,484,957	2,519,756
Accumulated losses		(52,912,196)	(44,723,325)
Total equity attributable to owners of the parent		38,181,723	46,256,764
Non-controlling interest		(94,595)	(102,544)
Total Equity		38,087,128	46,154,220

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 2017

Consolidated	Issued Capital	Options Reserve	Available-for-sale Securities Reserve	Foreign Exchange Translation Reserve	Accumulated Losses	Equity Attributable to the Owners of the Parent	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016 (Restated)	50,778,054	1,711,132	1,321,222	216,701	(36,251,197)	17,775,912	(99,394)	17,676,518
Net loss for the period	-	-	-	-	(4,898,579)	(4,898,579)	-	(4,898,579)
Net change in fair value of available for sale securities	-	-	(1,321,222)	-	-	(1,321,222)	-	(1,321,222)
Exchange differences on translation of foreign operations	-	-	-	(18,712)	-	(18,712)	3	(18,709)
Total comprehensive loss for the period	-	-	(1,321,222)	(18,712)	(4,898,579)	(6,238,513)	3	(6,238,510)
<i>Transactions with owners recorded directly in equity:</i>								
Contributions of equity	37,682,279	-	-	-	-	37,682,279	-	37,682,279
Share based payment transactions	-	582,890	-	-	-	582,890	-	582,890
Transaction costs of issuing capital	-	-	-	-	-	-	-	-
	37,682,279	582,890	-	-	-	38,265,169	-	38,265,169
Total equity at 31 December 2016 (Restated)	88,460,333	2,494,022	-	197,989	(41,149,776)	49,802,568	(99,391)	49,703,177
Balance at 1 July 2017	88,460,333	2,315,964	-	203,792	(44,723,325)	46,256,764	(102,544)	46,154,220
Net loss for the period	-	-	-	-	(8,188,871)	(8,188,871)	-	(8,188,871)
Net change in fair value of available for sale securities	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	(7,137)	-	(7,137)	7,949	812
Total comprehensive loss for the period	-	-	-	(7,137)	(8,188,871)	(8,196,008)	7,949	(8,188,059)
<i>Transactions with owners recorded directly in equity:</i>								
Contributions of equity	-	-	-	-	-	-	-	-
Share based payment transactions	152,305	(27,662)	-	-	-	124,643	-	124,643
Transaction costs of issuing capital	(3,676)	-	-	-	-	(3,676)	-	(3,676)
	148,629	(27,662)	-	-	-	120,967	-	120,967
Total equity at 31 December 2017	88,608,962	2,288,302	-	196,655	(52,912,196)	38,181,723	(94,595)	38,087,128

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

For the Half-Year Ended 31 December 2017

	Notes	Consolidated	
		31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(839,472)	(551,070)
Interest received		75,937	184,191
Payments for exploration and evaluation		(3,231,523)	(4,715,033)
Payments for the costs of the merger		-	(750,221)
Research and development refund		146,006	-
Net cash (used in) operating activities		(3,849,052)	(5,832,133)
Cash flows from investing activities			
Purchase of property, plant and equipment		(114,333)	-
Proceeds from disposal of financial assets at fair value through profit or loss		-	494,972
Proceeds from disposal of other financial assets		-	2,833,000
Payments for transaction costs of acquisition of subsidiary		-	(221,101)
Cash acquired on acquisition of subsidiary	11	-	3,139,653
Net cash (used in)/provided by investing activities		(114,333)	6,246,524
Cash flows from financing activities			
Proceeds from issue of shares and other equity securities		87,533	-
Share issue transaction costs		(3,676)	-
Net cash provided by financing activities		83,857	-
Net increase/(decrease) in cash and cash equivalents		(3,879,528)	414,391
Cash and cash equivalents at the beginning of the period	5	8,529,435	11,728,281
Effect of exchange rates on cash holding in foreign currencies		1,014	(8,885)
Cash and cash equivalents at the end of the period	5	4,650,921	12,133,787

Amounts shown above relating to payments to suppliers and employees include goods and services tax.

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

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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 2017 and any public announcements made by Emerald Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period accept as stated in this note. The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting

Standards and Interpretations applicable to 31 December 2017

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet effective to 31 December 2017

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet effective that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2018.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on issue not yet effective on the Company and therefore no material change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments 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 consolidated financial report for the year ended 30 June 2017.

Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs.

Acquisition costs relating to exploration and evaluation expenditure is carried forward where right of tenure of the area of interest is current. This expenditure is carried forward at reporting date where either;

- Exploration and evaluation activities have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves; or
- Exploration and evaluation activities provide a basis that capitalised expenditure will be recouped through commercial production.

The ultimate recoupment of expenditure carried forward for exploration and evaluation is dependent upon successful development and commercial exploitation or sale of respective areas.

Taxation

Balances disclosed in the financial statements related to taxation, are based on best estimates of Directors'. These estimates take into account both the financial performance and position of the group as they pertain to current income tax legislation and the Directors understanding thereto.

2. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified four operating segments, being exploration and evaluation within Cambodia, Australia, USA and the corporate/head office function.

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2017 is as follows:

	Exploration and evaluation				Total \$
	Cambodia \$	Australia \$	USA \$	Corporate \$	
Half-year ended 2017					
Total segment revenue	-	-	-	63,615	63,615
Interest revenue	-	-	-	63,615	63,615
Total segment gain/(loss) before income tax	(7,509,375)	(125,284)	-	(554,212)	(8,188,871)
Half-year ended 2016 (Restated)					
Total segment revenue	-	-	-	139,763	139,763
Interest revenue	-	-	-	139,763	139,763
Total segment gain/(loss) before income tax	(4,485,693)	(16,092)	-	(396,794)	(4,898,579)
Total segment assets					
31 December 2017	33,936,380	-	-	5,165,960	39,102,340
30 June 2017	38,174,795	-	-	8,924,004	47,098,799
Total segment liabilities					
31 December 2017	(381,017)	-	-	(634,195)	(1,015,212)
30 June 2017	(249,204)	-	(13,283)	(682,092)	(944,579)

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

	Consolidated	
	31 December 2017 \$	31 December 2016 \$
4. Other Income		
Foreign exchange gains	27,818	22,115
Fair value gains on financial assets	375,845	-
Profit on sale of financial assets	-	150,254
Total other income	403,663	172,369

	Consolidated	
	31 December 2017 \$	30 June 2017 \$
5. Cash & Cash Equivalents		
(a) Cash & cash equivalents		
Cash at bank and in hand	1,080,921	936,435
Deposits	3,570,000	7,593,000
Total cash and cash equivalents	<u>4,650,921</u>	<u>8,529,435</u>
(b) Cash at bank and on hand		
Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.01% and 0.60% (30 June 2017: 0.01% and 0.60%).		
(c) Deposits		
Deposits are bearing an interest rates between 2.46% and 2.49% (30 June 2017: 2.44% and 2.52%).		

	Consolidated	
	31 December 2017 \$	30 June 2017 \$
6. Financial Assets		
(a) Current		
Financial assets at fair value through profit or loss (Level 1)	405,844	30,000
Financial assets available for sale (Level 1)	-	-
Total current financial assets	<u>405,844</u>	<u>30,000</u>
(b) Shareholding in Riversgold Limited		
As part of the acquisition of Renaissance Minerals Limited, the Company acquired a 20% interest in Afranex Gold Limited ('Afranex'), an unlisted entity holding exploration assets in Alaska. The carrying value of the investment was \$Nil as at the date of acquisition of Renaissance.		
In June 2017, the Company entered into a Share Sale Deed to dispose of its investment in Afranex in consideration for 2,361,528 shares and 1,180,764 \$0.20 options in Riversgold Limited ('Riversgold'). On 8 August 2017 Riversgold issued a prospectus for the offer of up to 40 million shares at an issue price of \$0.20 each to raise up to \$8 million. The minimum subscription under the offer is \$5 million. Riversgold raised \$6.1 million under the IPO and successfully listed and commenced trading on the ASX on 10 October 2017.		
As at 31 December 2017 the investment in Riversgold is carried at \$377,844 (June 2017: \$Nil).		

	Consolidated	
	Six months to 31 December 2017 \$	Twelve months to 30 June 2017 \$
7. Exploration & Evaluation Expenditure		
Costs carried forward in respect of areas of interest:		
<i>Exploration and evaluation phase – at cost</i>		
Balance at the beginning of the period	37,900,933	-
Acquired on acquisition (Note 11)	-	37,900,933
Exploration and evaluation expenditure incurred	3,300,868	7,449,887
Exploration and evaluation expenditure expensed	(3,300,868)	(7,449,887)
Acquisition costs expensed	(4,300,003)	-
Closing balance at the end of the period	<u>33,600,930</u>	<u>37,900,933</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

During the period the Company recognised an impairment of \$4,300,000 relating to the O'Chhung exploration licence acquisition costs. The Company's intends to recommence activities on this licence however the Company's current short to mid-term focus is the development of the Okvau Gold Project and exploration activities on its other tenure recently acquired under Earn-In/Joint Venture Agreements and through exploration licence applications. The Company believes it appropriate to recognise an impairment in relation to this licence given there are no current planned exploration programs.

Condensed Notes to the Financial Statements
For the half-year ended 31 December 2017

	Consolidated			
	31 December 2017 Shares	30 June 2017 Shares	31 December 2017 \$	30 June 2017 \$
8. Contributed Equity				
(a) Issued capital				
Ordinary shares - fully paid	2,111,252,533	2,107,977,533	88,608,962	88,460,333

	Date	Shares	Consolidated	
			Issue Price	Total \$
(b) Movements in issued capital				
Opening balance as at 1 July 2016		1,306,627,448		50,778,054
Renaissance Minerals Limited acquisition	5 Oct 2016	765,746,760	\$0.047	36,080,129
Renaissance Minerals Limited acquisition	14 Nov 2016	35,603,325	\$0.045	1,602,150
Closing balance as at 30 June 2017		<u>2,107,977,533</u>		<u>88,460,333</u>
Opening balance as at 1 July 2017		2,107,977,533		88,460,333
Exercise of options	1 Nov 2017	2,500,000	\$0.044	110,500
Exercise of options	14 Nov 2017	775,000	\$0.054	41,805
Less: Transaction costs				(3,676)
Closing balance as at 31 December 2017		<u>2,111,252,533</u>		<u>88,608,962</u>

	Consolidated	
	31 December 2017 \$	30 June 2017 \$
9. Reserves		
(a) Option reserves		
Opening balance	2,315,964	1,711,132
Options issued as remuneration during the period	37,110	21,942
Options issued to Renaissance Minerals Limited option holders	-	582,890
Exercise of options (transferred to issued capital)	(64,772)	-
Closing balance	<u>2,288,302</u>	<u>2,315,964</u>
During the period issued unlisted share options to option holders of Renaissance Minerals Limited as part of the acquisition. Refer to Note 10 and 11.		
(b) Available-for-sale securities reserve		
Opening balance	-	1,321,222
Net change in fair value of available-for-sale securities	-	-
Reversal of reserve upon acquisition of Renaissance Minerals Limited	-	(1,321,222)
Closing balance	<u>-</u>	<u>-</u>
(c) Foreign currency translation reserve		
Opening balance	203,792	216,701
Exchange differences arising on translation of foreign operations	(7,137)	(12,909)
Closing balance	<u>196,655</u>	<u>203,792</u>
(d) Total reserves		
Option reserve	2,288,302	2,315,964
Available-for-sale securities reserve	-	-
Foreign currency translation reserve	196,655	203,792
Total reserves	<u>2,484,957</u>	<u>2,519,756</u>

10. Options

(a) Movements in options

The following sets out a summary of option movements during the six month period ending 31 December 2017:

Expiry date	Exercise price	Balance at start of period	Issued during the period	Exercised during the period	Cancelled/lapsed during the period	Balance at end of the period
20 Jan 2020	\$0.025	20,000,000	-	(2,500,000)	-	17,500,000
15 Oct 2017	\$0.065	15,190,000	-	-	(15,190,000)	-
30 Sep 2020	\$0.032	22,552,000	-	(775,000)	-	21,777,000
06 Jan 2022	\$0.052	2,500,000	-	-	-	2,500,000
08 Mar 2022	\$0.057	3,372,500	-	-	-	3,372,500
06 Jul 2022	\$0.049	-	2,500,000	-	-	2,500,000

(b) Options issued to Directors, management, employees and consultants

The weighted average fair value of the options granted during the year was 1.96 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	Expiry
	30 Sep 2020
Expected share price volatility (%)	80.00%
Risk-free interest rate (%)	2.24%
Discount for lack of marketability	20.00%
Exercise price	\$0.049
Life of the option	5.0 years
Weighted average underlying share price	\$0.040

All options issued as part of their incentive component of their remuneration packages and are all subject to vesting conditions as follows:

- 50% of options issued vest 24 months from the date of appointment of the employee; and
- The remaining 50% of options issued vest 36 months from the date of appointment.

The fair value of the options issued is recognised over the vesting period of the options. An amount of \$37,110 was recognised in the Consolidated Statement of Profit or Loss for the six-month period ending 31 December 2017 (December 2016: \$Nil).

11. Acquisition of Renaissance Minerals Limited

On 16 September 2016 Emerald increased its holding to 79.21% of the issued capital of Renaissance Minerals Limited ('Renaissance'). The initial interest was acquired through the acquisition of 10.00% interest on 9 February 2016 and a further 69.21% under contracts arising upon the acceptance of offers for Renaissance shares as set out in Emerald's Bidders Statement dated 19 August 2016 ('Bidders Statement').

Between 17 September 2016 and 14 November 2016 Emerald acquired the remaining 20.79% of the issued capital of Renaissance on the terms as set out in the Bidders Statement.

The acquisition of the issued capital in Renaissance that Emerald did not already hold was effected by way of Emerald issuing shares as follows:

Issue date	No of shares	Value per share	Total (\$)
5 October 2016	765,746,760	\$0.047	36,080,129
14 November 2016	35,603,325	\$0.045	1,602,150
	801,350,085		37,682,279

11. Acquisition of Renaissance Minerals Limited (continued)

Emerald also acquired the 24,350,000 Renaissance options on issue through the issue of 37,742,500 Emerald options to Renaissance optionholders valued at \$582,890.

Acquisition costs totalled \$221,101 and are capitalised as part of the asset acquisition.

Total consideration issued and transaction costs for the acquisition of the issued capital in Renaissance that Emerald did not already hold are as follows:

	\$
Emerald shares issued to Renaissance shareholders	37,682,279
Emerald options issued to Renaissance optionholders	582,891
Transaction costs	221,101
Total purchase consideration and transaction costs	38,486,271

The initial 10% investment was acquired for \$1,723,331 which brings the total investment in Renaissance to \$40,209,602.

Details of the purchase consideration, net assets acquired and fair value adjustments as at the date of acquisition being 16 September 2016 are as follows:

	\$
Assets and liabilities recognised as a result of the acquisition	
Cash and cash equivalents	3,139,653
Trade and other receivables	204,213
Property, plant and equipment	147,562
Exploration and evaluation expenditure	18,213,324
Fair value adjustment for exploration and evaluation expenditure	19,687,606
Trade and other payables	(1,182,756)
Net identifiable assets acquired	40,209,602

12. Commitments and Contingencies

During the half-year ending 31 December 2017, Emerald entered into an Earn-In Agreement with Angkor Gold Corp and a Joint Venture Agreement with Mekong Minerals Ltd (Mekong Minerals). This has increased its exploration commitments from that disclosed in the 30 June 2017 accounts as follows:

- i) Not longer than one year – increase of \$887,704 (total \$957,855); and
- ii) Longer than one year, but not longer than five years – increase of \$5,773,188 (total \$5,954,736).

As a result of entering into the Mekong Minerals Joint Venture, under a pre-existing agreement Mekong Minerals and Southern Gold Ltd ('Southern Gold'), Southern Gold holds a 2% gross royalty capped to US\$11 million and 1% gross royalty thereafter across all the Mekong Projects.

There are no further material changes to commitments and contingences since 30 June 2017.

13. Events Occurring Subsequent to Reporting Date

There are no material events subsequent to balance date.

14. Financial Instruments

The methods and valuation techniques used for the purposes of measuring fair value are unchanged compared to the previous periods. The Group also has a number of financial instruments which are not measured at fair value in the statement of financial position. The carrying amounts of the current receivables and current payables are considered to be a reasonable approximation of their fair value.

Director's Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 22 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Emerald Resources NL 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.



Morgan Hart
Managing Director

Perth, Western Australia, 16 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Emerald Resources NL

Report on the Interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Emerald Resources NL ("the company") 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 ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Emerald Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim 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 interim 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 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 company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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A review of an interim 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*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
16 March 2018

A handwritten signature in blue ink that reads 'Norman G. Neill'.

N G Neill
Partner