



# **BANNERMAN RESOURCES LIMITED AND CONTROLLED ENTITIES**

FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2020

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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# CORPORATE DIRECTORY

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## **NON-EXECUTIVE CHAIRMAN**

Ronnie Beevor

## **CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

Brandon Munro

## **NON-EXECUTIVE DIRECTORS**

Ian Burvill

Clive Jones

Mike Leech

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Ernst & Young

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## **SHARE REGISTRARS**

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## **STOCK EXCHANGE LISTINGS**

Australian Securities Exchange (ASX Code: BMN)

Namibian Stock Exchange (NSX Code: BMN)

OTCQB Venture Market (OTCQB Code: BNNLF)

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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The directors submit the consolidated financial report of Bannerman Resources Limited (“**Bannerman**” or the “**Company**”) and its controlled entities (the “**Group**”) for the half year ended 31 December 2020.

Amounts are expressed in Australian dollars unless otherwise noted.

## DIRECTORS

The names of the Company’s directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Ronnie Beevor	Non-Executive Chairman
Brandon Munro	Chief Executive Officer and Managing Director
Ian Burvill	Non-Executive Director
Clive Jones	Non-Executive Director
Mike Leech	Non-Executive Director

## COMPANY SECRETARY

Robert Orr

## REVIEW AND RESULTS OF OPERATIONS

### Operating Result

The principal activities of the Group during the reporting period comprised the feasibility assessment of the Group’s 95% owned Etango Uranium Project in Namibia.

The Group’s net loss of \$1,087,441 for the half-year ended 31 December 2020 (December 2019: \$1,159,425 loss) was attributable primarily to corporate and administrative expenses and non-cash share-based compensation expenses (exploration and development expenses are capitalised).

Interest income for the half year ended 31 December 2020 was \$12,088 (December 2019: \$60,853).

### Cash Position

Cash and cash equivalents were \$3,023,932 as at 31 December 2020 compared with \$4,173,874 as at 30 June 2020.

## OVERVIEW

Bannerman Resources Limited is an ASX, NSX and OTCQB Venture Market listed exploration and development company with uranium interests in Namibia, a southern African country which is a premier uranium mining jurisdiction. Bannerman’s principal asset is its 95% owned Etango Project situated near China National Uranium Corporation’s (CNUC) Rössing uranium mine, Paladin’s Langer Heinrich uranium mine and China General Nuclear Corp’s Husab uranium mine. A definitive feasibility study and subsequent optimisation studies have confirmed the viability of a large open pit and heap leach operation at one of the world’s largest undeveloped uranium deposits. From 2015 to 2017, Bannerman conducted a large scale heap leach demonstration program to provide further assurance to financing parties, generate process information for the detailed engineering design phase and build and enhance internal capability.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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## URANIUM MARKET

The U<sub>3</sub>O<sub>8</sub> spot price experienced limited volatility during the reporting period, settling around US\$30/lb for most of the period following a sharp appreciation in the first half of 2020. The spot price closed the period at 31 December 2020 at US\$30.40/lb. The term uranium market continued to be muted during the reporting period.

Utilities had their attention absorbed by more immediate priorities than nuclear fuel procurement, as COVID-19 challenges seriously amplified operating and regulatory challenges associated with nuclear power production. By the end of 2020, utilities had addressed regulatory adjustments required by COVID-19 and most associated operating challenges. Nonetheless, second wave infections and consequent government responses have remained a distraction for power producers, resulting in fuel-buyers deferring procurement strategies in favour of further inventory draw down.

The extension of the Russian Suspension Agreement during the period provided much needed certainty for the market. This milestone event removed the last of several potential regulatory barriers to US utilities making long-term decisions, which date back to the January 2017 petition to conduct a s232 trade investigation into uranium imports.

COVID-19 related disruption to uranium supply stabilised, in most respects, during the period. Cameco announced on 14 December that it would, again, temporarily suspend operations at Cigar Lake, the world's largest operating uranium mine, after recommencing production in August 2020. Cigar Lake was initially suspended in March 2020 for an indeterminate period that lasted for six months. Cameco did not place a timeframe on the latest suspension but noted that restarting the mine will depend on availability of required workforce, pandemic trends in Northern Saskatchewan and the views of public health authorities. Cameco plans to increase its purchases of uranium in the spot market to meet its contract deliveries.

Kazatomprom returned to full staffing, after a four-month period in which all Kazakh uranium mines were operated on a minimal staffing basis and all well-field development was deferred. The effect of COVID-19 disruption to these activities resulted in total Kazakh production falling by 15% compared with 2019.

Bannerman estimates that 2020 global U<sub>3</sub>O<sub>8</sub> production will fall by approximately 20Mlbs as a result of all COVID-19 related supply disruption. This effectively doubles the estimated structural deficit in the uranium sector, resulting in a shortfall of supply equivalent to more than 20% of 2020 uranium consumption.

Against the back-drop of low uranium prices, the world's largest uranium suppliers continue to exercise supply discipline. Kazatomprom announced during the period that 20% planned production reductions at all Kazakh mines will extend into 2022, reducing forecast global 2022 uranium production by 14.3Mlbs. Further, BHP announced a decision to abandon its brownfields expansion project at Olympic Dam, removing another substantial and low-cost source of potential supply.

The broader nuclear industry benefitted from a stream of positive news during the period. The nuclear power sector demonstrated high levels of performance globally despite challenges from COVID-19, maintaining very high capacity in most markets and showcasing the superior resilience and stability of nuclear power.

China, the largest growth market for nuclear power, announced a plan to be carbon neutral by 2060. Given China's dependence on coal for base load power and lack of growth capacity for hydropower, China's domestic nuclear energy program was emphasised in the 14th Five Year Plan. The completion of Fuqing Unit 5, China's first indigenous Hualong One reactor, lays a foundation for series construction of nuclear reactors for both domestic and export markets. Japan also announced a target to be carbon neutral, by 2050, which will require achieving or exceeding the current government policy for nuclear power to return to 20-22% of total electricity generation.

In the US, bipartisan support for nuclear energy has resulted in benefits for both utilities and uranium miners, highlighted by the prominent future role of nuclear power in the Democrats' report, *Solving the Climate Crisis*. The Democrat clean energy election platform included endorsement of existing nuclear energy generation and funding for development of advanced and small modular reactors (SMRs). Given this bipartisan approach, a strengthened climate mitigation imperative and President Biden's decision to rejoin the Paris climate accord, there is a good prospect of government support to preserve and extend the existing nuclear fleet, including reactors at risk due to competition from cheap fossil fuels. Congress also approved US\$75 million funding to establish the Strategic Uranium Reserve.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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The US government acted to implement the Nuclear Fuel Working Group Report's recommendations to enhance US influence and competitiveness in the global nuclear power market. Bilateral co-operation agreements were reached between the US government and both Romania and Poland, providing a pathway for US industry to re-enter conventional nuclear reactor construction in deals potentially worth a combined US\$26 billion. The US agreed to co-operate with Romania on the refurbishment of an existing reactor and construction of two additional reactors. The agreement with Poland sets out an 18-month project to scope the construction of up to eight reactors as part of Poland's assertive new nuclear program. Significantly, the US is considering providing financing support to these projects after the US International Development Finance Corporation changed its Environmental and Social Policy Procedures to remove a prohibition on funding nuclear energy projects overseas.

Global development of Small Modular Reactors (SMR) and advanced nuclear reactors continued to gain both public and government attention. Notably, the US Department of Energy announced cost-sharing grants to three SMR and advanced reactor developers totalling up to US\$4.2B over 7 years, in a tangible implementation of the US government's intent to develop US nuclear technological competitiveness.

Similarly, the UK released a new "Energy White Paper" which supports the construction of conventional nuclear reactors and allocates funding for the development and deployment of UK-built SMRs.

Russian nuclear energy generation set a new annual record, accounting for more than 20% of the country's energy mix. Russian nuclear giant Rosatom currently has 3 domestic reactors in construction and an export order book that includes 35 reactors at various implementation stages. Rosatom is currently constructing reactors in Bangladesh, Belarus, China, Egypt, Finland, Hungary, India and Turkey.

India has taken the first step towards fleet mode construction of 10 indigenous designed 700MWe pressurised heavy water reactors, with the first of such reactors, Kakrapar 3, connected to the grid in early January. India's Department of Atomic Energy announced that 17 nuclear power reactors are planned in addition to the 7 units already under construction.

The 28th edition of the biennial "Red Book" was published by the International Atomic Energy Agency and OECD Nuclear Energy Agency in late December (Uranium 2020: Resources, Production and Demand). The publication noted that worldwide uranium exploration and mining development has continued its downward trend over several years, with expenditure falling by 75% compared with 2012, because of "persistently depressed uranium prices". The report notes that prospective producers "will have to overcome a number of significant and, at times, unpredictable issues in bringing new production facilities on stream, including geopolitical and local factors, technical challenges and legal and regulatory frameworks. To do so, strong market conditions will be critical for achieving the required industry investment."

Western access to future uranium supply was tightened as China General Nuclear announced that it would acquire from Kazatomprom a 49% interest (including equivalent off-take rights) in the Ortalyk LLP joint venture. Ortalyk comprises the operating Central Mynkuduk uranium mine and the Zhalpak development project in Kazakhstan.

Uranium supply availability over the medium to longer term will be further impacted by mine depletion, including the closure of Australia's Ranger uranium mine in early January 2021 and planned closure of Niger's Cominak uranium mine during the March 2021 quarter. Future uranium supply is forecast to further deplete as a result of mine closures, declining production rates from Kazakh in-situ recovery operations and a decrease in secondary supply as excess capacity in the enrichment market tightens.

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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## CORPORATE

### Issued Securities

At the date of this report, Bannerman has 1,189,137,778 ordinary shares on issue.

As at 31 December 2020, Bannerman had on issue 47,562,601 performance share rights issued under the shareholder-approved Employee Incentive Plan ("EIP"), 22,495,400 unlisted options issued under the Non-Executive Director Share Incentive Plan ("NEDSIP"). The EIP performance rights are subject to various performance targets and continuous employment periods.

### Cancellation and Issue of Securities

The Company advised during the period that the following securities in Bannerman were cancelled or issued:

- 13,731,200 unlisted options expired unexercised and therefore lapsed and were cancelled.
- 808,363 unlisted employee performance rights have, pursuant to the terms of the Employee Incentive Plan (EIP), been forfeited and cancelled following non-satisfaction of the relevant performance criteria.
- 16,070,366 fully paid ordinary shares were issued upon vesting of unlisted employee performance rights in accordance with the terms of the EIP and Non-Executive Director Share Incentive Plan (NEDSIP).
- 22,966,200 unlisted performance rights and 9,559,200 unlisted options were granted in accordance with the EIP and NEDSIP as approved by shareholders on 20 November 2020.

### Annual General Meeting

Bannerman held its Annual General Meeting on 20 November 2020. As previously announced, all resolutions put to shareholders at the Annual General Meeting were duly carried by poll.

### COVID-19

The Company has not experienced any significant disruption to its business or operations as a result of measures taken to date in either Namibia or Australia in response to the COVID-19 pandemic. Bannerman continues to implement various measures to protect Bannerman employees, their families and the broader community from transmission of the COVID-19 virus.

## ETANGO PROJECT (Bannerman 95%)

### Etango-8 Project Scoping Study

During the reporting period, Bannerman announced to the ASX on 5 August 2020 the completion of a Scoping Study for an 8Mtpa development of its flagship Etango Uranium Project in Namibia (**Etango-8 Project**). Bannerman is not aware of any new information or data that materially affects the information included in the ASX release, and Bannerman confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in this release continue to apply and have not materially changed.

Key outcomes included:

- Primary outcome of recent scaling evaluation work on Etango; provides an alternate, streamlined development model to the 20Mtpa development assessed to DFS level in 2015
- Demonstrates the strong technical and economic viability of conventional open pit mining and heap leach processing of the world class Etango deposit at a 8Mtpa throughput

# DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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- Further upside potential from:
  - Future life extension and/or scale-up expansion
  - Additional processing efficiency and cost opportunities
- Vast body of previous technical work enables fast-tracking of feasibility studies; all resource drilling, geotechnical, metallurgical and environmental work already complete
- Heap leach process route has also been comprehensively de-risked via operation of the Etango Heap Leach Demonstration Plant
- Bannerman Board is undertaking a Pre-Feasibility Study (PFS) with completion targeted for Q2 2021
- Long-term scalability of Etango Project (up to 20Mtpa) is an option given previous definitive level studies; provides strong optionality and leverage to upside-case uranium market.

## Exclusive Prospecting Licence 3345

During the reporting period, the Company continued a systematic soil sampling program over prospective lithologies on its 95 % owned EPL 3345. More than 2000 samples were taken, including infill sampling over areas of initial interest.

## Technical Disclosures

Certain disclosures in this report, including management's assessment of Bannerman's plans and projects, constitute forward looking statements that are subject to numerous risks, uncertainties and other factors relating to Bannerman's operation as a mineral development company that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Full descriptions of these risks can be found in Bannerman's various statutory reports and announcements. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

The information in this announcement as it relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Marthinus Prinsloo. Mr Prinsloo is a full time employee of Bannerman Resources Limited and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Prinsloo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Prinsloo as a "Competent Person" as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a Qualified Person as defined by Canadian National Instrument 43-101. Mr Prinsloo consents to the inclusion in this announcement in the form and context in which it appears. Mr Prinsloo holds shares and performance rights in Bannerman Resources Limited.

## SUBSEQUENT EVENTS

On 18 February 2021 the Company issued 114,285,716 fully paid ordinary shares at an issue price of \$0.105 per share to sophisticated and institutional investors. The placement raised gross proceeds of \$12 million for the Company's continuing studies, corporate and working capital.

Other than the event noted above there are no other matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.

## AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the directors of Bannerman with an Independence Declaration in relation to the half year ended 31 December 2020. The Independence Declaration is attached to and forms part of this Directors' Report.

## DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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### ROUNDING

Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars (A\$'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class order applies.

Signed in accordance with a resolution of the Board of Directors.



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Brandon Munro  
Chief Executive Officer  
Perth  
10 March 2021



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Bannerman Resources Limited**

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

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

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

Ernst & Young

Gavin Buckingham  
Partner  
10 March 2021

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

		6 Months Ended 31 December	
	Note	2020 \$'000	2019 \$'000
Other revenue	2	50	61
Administration and corporate expense	3(a)	(349)	(420)
Depreciation expense		(17)	(4)
Finance expense		(2)	(3)
Staff expense	3(b)	(769)	(793)
<b>Loss before income tax</b>		<b>(1,087)</b>	<b>(1,159)</b>
Income tax benefit		-	-
<b>Net loss for the period</b>		<b>(1,087)</b>	<b>(1,159)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	12(b)	2,416	391
<b>Other comprehensive income for the period (net of tax)</b>		<b>2,416</b>	<b>391</b>
<b>Total comprehensive income/(loss)</b>		<b>1,329</b>	<b>(768)</b>
Net (loss) is attributable to:			
Equity holders of Bannerman Resources Limited		(1,076)	(1,150)
Non-controlling interest		(11)	(9)
		<b>(1,087)</b>	<b>(1,159)</b>
Total comprehensive income/(loss) is attributable to:			
Equity holders of Bannerman Resources Limited		1,319	(759)
Non-controlling interest		10	(9)
		<b>1,329</b>	<b>(768)</b>
Weighted average number of shares ('000)		<b>1,062,101</b>	<b>1,045,153</b>
Basic loss per share to the ordinary equity holders of the Company (cents per share)		<b>(0.10)</b>	<b>(0.11)</b>
Diluted loss per share to the ordinary equity holders of the Company (cents per share)		<b>(0.10)</b>	<b>(0.11)</b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

	Note	31 December 2020 \$'000	30 June 2020 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,024	4,174
Other receivables	5	39	41
Other		58	44
<b>TOTAL CURRENT ASSETS</b>		<b>3,121</b>	<b>4,259</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	6	50,833	47,906
Property, plant and equipment	7	64	61
Right of use assets	8	32	49
<b>TOTAL NON-CURRENT ASSETS</b>		<b>50,929</b>	<b>48,016</b>
<b>TOTAL ASSETS</b>		<b>54,050</b>	<b>52,275</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	280	187
Lease liabilities	8	31	46
Provisions	10	64	51
<b>TOTAL CURRENT LIABILITIES</b>		<b>375</b>	<b>284</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	10	273	263
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>273</b>	<b>263</b>
<b>TOTAL LIABILITIES</b>		<b>648</b>	<b>547</b>
<b>NET ASSETS</b>		<b>53,402</b>	<b>51,728</b>
<b>EQUITY</b>			
Contributed equity	11	141,198	141,198
Reserves	12	23,757	20,976
Accumulated losses		(111,574)	(110,498)
<b>TOTAL PARENT ENTITY INTEREST</b>		<b>53,381</b>	<b>51,676</b>
Non-controlling interest		21	52
<b>TOTAL EQUITY</b>		<b>53,402</b>	<b>51,728</b>

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



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

	6 Months Ended 31 December	
Note	2020 \$'000	2019 \$'000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(740)	(768)
Government grants and incentives	50	-
Interest received	12	55
	<hr/>	<hr/>
<i>Net cash utilised in operating activities</i>	(678)	(713)
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration and evaluation	(452)	(313)
Purchase of plant and equipment	(2)	(4)
	<hr/>	<hr/>
<i>Net cash utilised in investing activities</i>	(454)	(317)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	42
Payments for lease liabilities	(16)	(12)
	<hr/>	<hr/>
<i>Net cash provided by financing activities</i>	(16)	30
Net decrease in cash and cash equivalents	(1,148)	(1,000)
Cash and cash equivalents at beginning of period	4,174	6,268
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2)	(1)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	4 <b>3,024</b>	<b>5,268</b>

*The above cash flow statement should be read in conjunction with the accompanying notes.*



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

	Issued Capital	Share Based Payment Reserve	Foreign Currency Reserve	Convertible Note Reserve	Equity Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>	<b>141,198</b>	<b>57,691</b>	<b>(35,274)</b>	-	<b>(1,441)</b>	<b>(110,498)</b>	<b>52</b>	<b>51,728</b>
Loss for the period	-	-	-	-	-	(1,076)	(11)	(1,087)
Other comprehensive income	-	-	2,395	-	-	-	21	2,416
<i>Total comprehensive income / (loss) for the period</i>	-	-	2,395	-	-	(1,076)	10	1,329
Share issued during the period	-	-	-	-	-	-	-	-
Share-based payments	-	360	-	-	-	-	-	360
Capital contributions (Bannerman Namibia)	-	-	-	-	26	-	(41)	(15)
<b>Total equity at 31 December 2020</b>	<b>141,198</b>	<b>58,051</b>	<b>(32,879)</b>	-	<b>(1,415)</b>	<b>(111,574)</b>	<b>21</b>	<b>53,402</b>

	Issued Capital	Share Based Payment Reserve	Foreign Currency Reserve	Convertible Note Reserve	Equity Reserve	Accumulated Losses	Non- controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2019</b>	<b>141,156</b>	<b>56,954</b>	<b>(25,676)</b>	<b>4,038</b>	<b>(4,968)</b>	<b>(108,224)</b>	<b>(315)</b>	<b>62,965</b>
Loss for the period	-	-	-	-	-	(1,150)	(9)	(1,159)
Other comprehensive income	-	-	391	-	-	-	-	391
<i>Total comprehensive income / (loss) for the period</i>	-	-	391	-	-	(1,150)	(9)	(768)
Share issued during the period	42	-	-	-	-	-	-	42
Share-based payments	-	356	-	-	-	-	-	356
<b>Total equity at 31 December 2019</b>	<b>141,198</b>	<b>57,310</b>	<b>(25,285)</b>	<b>4,038</b>	<b>(4,968)</b>	<b>(109,374)</b>	<b>(324)</b>	<b>62,595</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Corporate Information

Bannerman is a company incorporated in Australia and limited by shares. Bannerman's shares are publicly traded on the Australian Securities Exchange ("ASX") with an additional listing on the Namibian Stock Exchange and the OTCQB Venture Market.

### Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Bannerman and its controlled entities (the "Group") as the annual financial report.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by Bannerman since that time in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The financial report is presented in Australian dollars and, unless otherwise stated, all values are rounded to the nearest thousand dollars (A\$1,000) in accordance with the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the class orders applies.

### Changes in Accounting Policies

#### *New and amended accounting standards and interpretations*

From 1 July 2020, the Group has adopted all the Standards and Interpretations mandatory for annual periods beginning on 1 July 2020. Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new Standards or Interpretations. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

	31 December 2020 \$'000	31 December 2019 \$'000
<b>2. OTHER REVENUE</b>		
Interest income	12	61
Government grants and tax incentives	38	-
	<u>50</u>	<u>61</u>

## 3. EXPENSES

### Administration and corporate expenses

Administrative expense	35	100
Compliance and regulatory	152	164
Insurance expense	44	28
Occupancy expense	22	49
Stakeholder relations	95	62
Travel expenses	1	17
	<u>349</u>	<u>420</u>

### Staff expenses

Key management salaries and fees	496	407
Employee salaries and fees	127	180
Employee share based incentive plan	301	355
Superannuation	35	55
Other expenses	26	24
(Less staff expenses classified as exploration and evaluation expenditure)	(216)	(228)
	<u>769</u>	<u>793</u>

## 4. CASH & CASH EQUIVALENTS

	31 December 2020 \$'000	30 June 2020 \$'000
Cash at bank and on call (interest bearing)	184	654
Short term cash deposits (interest bearing)	2,840	3,520
	<u>3,024</u>	<u>4,174</u>

## 5. OTHER RECEIVABLES

### **Current**

GST/VAT receivable	32	18
Interest receivable	1	5
Sundry debtors	6	18
	<u>39</u>	<u>41</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

## 6. EXPLORATION & EVALUATION EXPENDITURE

	31 December 2020 \$'000	30 June 2020 \$'000
Opening balance	47,906	56,893
Expenditure incurred during the period	502	637
Foreign currency translation movements	2,425	(9,624)
	<u>50,833</u>	<u>47,906</u>

Expenditure incurred during the period comprises expenditure on geological, study and associated activities.

The value of the Company's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of pre-development activities; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

### Etango Uranium Project – Bannerman 95%

The Etango Uranium Project is situated near China National Uranium Corporation's (CNUC) Rössing uranium mine, Paladin's Langer Heinrich uranium mine and China General Nuclear Corp's Husab uranium mine. Bannerman, in 2012, completed a Definitive Feasibility Study ("DFS") on a 7-9 million pounds U<sub>3</sub>O<sub>8</sub> per annum open pit mining and heap leach processing operation at Etango. The DFS confirmed the viability of a large open pit and heap leach operation at one of the world's largest undeveloped uranium deposits. From 2015-2017, Bannerman conducted a large scale heap leach demonstration program to provide further assurance to financing parties, generate process information for the detailed engineering design phase and build and enhance internal capability.

Bannerman announced to the ASX on 5 August 2020 the completion of a Scoping Study for an 8Mtpa development of its flagship Etango Uranium Project in Namibia (**Etango-8 Project**). The Scoping Study on the Etango-8 Project provides an alternate, streamlined development model to the 20Mtpa development assessed to DFS level in 2015. The Study demonstrates the strong technical and economic viability of conventional open pit mining and heap leach processing of the world class Etango deposit at 8Mtpa throughput. Bannerman Board has approved commencement of a Pre-Feasibility Study (**PFS**) on Etango-8 Project.

Bannerman currently holds Exclusive Prospecting Licence 3345 (**EPL 3345**) in Namibia, which is valid until 25 April 2021 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy. Bannerman also holds a Mineral Deposit Retention Licence 3345 (**MDRL 3345**) in Namibia, which is valid until 6 August 2022 and thereafter subject to renewal by the Namibian Ministry of Mines and Energy.

### Exploration & Evaluation Expenditure for the Etango Project

	31 December 2020 \$'000	30 June 2020 \$'000
General project expenses	43	54
Consultants and other project services	7	33
Environmental expenses	2	-
Human resources	217	366
Studies (Etango-8 PFS)	216	82
Demonstration plant costs	17	102
<b>Total expenditure for the period</b>	<u>502</u>	<u>637</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

## 7. PROPERTY, PLANT & EQUIPMENT

	Cost \$'000	Accumulated Depreciation \$'000	Net Book Value \$'000
<b>31 December 2020</b>			
Vehicles	179	(156)	23
Office furniture and equipment	26	(18)	8
Lab and field equipment	61	(49)	12
Sundry	180	(159)	21
	<u>446</u>	<u>(382)</u>	<u>64</u>
<b>30 June 2020</b>			
Vehicles	169	(147)	22
Office furniture and equipment	24	(17)	7
Lab and field equipment	58	(46)	12
Sundry	176	(156)	20
	<u>427</u>	<u>(366)</u>	<u>61</u>

## 8. RIGHT OF USE ASSETS

	31 December 2020 \$'000	30 June 2020 \$'000
<b>RIGHT OF USE ASSET</b>		
Opening balance	49	-
Additions	-	61
Depreciation	(17)	(12)
Closing balance net of accumulated depreciation	<u>32</u>	<u>49</u>
<b>LEASE LIABILITY</b>		
Opening balance	46	-
Additions	-	61
Amortisation of principle	(15)	(15)
Interest on lease	-	-
Closing balance	<u>(31)</u>	<u>46</u>

Amounts recognised in statement of profit or loss and other comprehensive income relating to:

Depreciation charge of right-of-use assets	17	12
Interest expense (included in finance costs)	-	1
Short term lease payments	-	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

## 9. TRADE AND OTHER PAYABLES

	31 December 2020 \$'000	30 June 2020 \$'000
CURRENT		
Trade payables	57	53
Other payables and accruals	223	134
	<u>280</u>	<u>187</u>

Trade payables are non-interest bearing and are normally settled on 30 day terms (or less). Other payables are non-interest bearing and have an average term of 60 days.

Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

## 10. PROVISIONS

	31 December 2020 \$'000	30 June 2020 \$'000
CURRENT		
Annual leave provision (a)	51	51
Long service leave provision (b)	13	-
	<u>64</u>	<u>51</u>
NON-CURRENT		
Long service leave provision (b)	-	11
Rehabilitation provision (c)	273	252
	<u>273</u>	<u>263</u>

### (a) Annual leave provision

Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

### (b) Long service leave provision

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

The employee benefits provision relates to the long service leave accrued for employees at the present value of expected future payments to be made in respect of services provided by employees up to the



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

reporting date using the government bond rate with terms to maturity similar to the estimate future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(c) **Rehabilitation provision**

Opening balance	252	287
Unwinding of discount	7	13
Foreign exchange translation movements	14	(48)
	<u>273</u>	<u>252</u>

The Group makes full provision for the future cost of the environmental rehabilitation obligations relating to the heap leach demonstration plant on a discounted basis at the time of the activity.

The rehabilitation provision, based on the Group's internal estimates, represents the present value of the future rehabilitation costs relating to the heap leach demonstration plant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation is likely to depend on when the pre-development activities cease.

## 11. CONTRIBUTED EQUITY

(a) Issued and outstanding:

	31 December 2020		30 June 2020	
	Number '000	\$'000	Number '000	\$'000
<u>Ordinary shares</u>				
Issued and fully paid	1,074,852	141,198	1,058,782	141,198
<u>Movements in ordinary shares on issue</u>				
Opening balance	1,058,782	141,198	1,041,587	141,156
Issue of shares on vesting under employee performance rights plan (ii, iii)	16,070	-	16,195	-
Issue of shares on exercise of option under employee incentive plan (i)	-	-	1,000	42
<b>Closing balance</b>	<u>1,074,852</u>	<u>141,198</u>	<u>1,058,782</u>	<u>141,198</u>

- (i) On 5 November 2019, 1,000,000 ordinary shares were issued upon exercise of A0.042 share options in accordance with the Non-Executive Director Share Incentive Plan.
- (ii) On 25 November 2019, 16,194,482 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Employee Incentive Plan.
- (iii) On 24 November 2020, 16,070,366 ordinary shares were issued upon vesting of share and performance rights in accordance with the terms of the Employee Incentive Plan.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

(b) Share options on issue:

The movements in share options during the period were as follows:

Expiry Dates	Exercise Price	Balance 1 Jul 20	Granted	Exercised	Expired / Cancelled	Balance 31 Dec 20	Vested 31 Dec 20
15 November 2020	A\$0.069	13,731,200	-	-	(13,731,200)-	-	-
15 November 2021	A\$0.072	8,597,400	-	-	-	8,597,400	8,597,400
15 November 2022	A\$0.059	4,338,800	-	-	-	4,338,800	4,338,800
15 November 2023	A\$0.050		9,559,200	-	-	9,559,200	-
		26,667,400	9,559,200		(13,731,200)	22,495,400	12,936,200
Weighted average exercise price (\$)		0.07	0.05	-	0.069	0.067	0.064
Average life to expiry (years)		1.88	2.87	-	-	1.92	1.21

The share options above have performance hurdles linked to minimum service periods.

Directors held 16,495,400 share options as at 31 December 2020 with an average exercise price of A\$0.06 per share and an average life to expiry of 1.93 years.

(c) Share rights on issue

The share rights on issue as at 31 December 2020 were as follows:

Vesting Dates	Balance 1 Jul 20	Granted	Vested	Cancelled	Balance 31 Dec 20
15 November 2020	16,272,519		(16,070,366)	(202,153)	-
15 November 2021	13,256,411	1,894,100	-	(279,658)	14,870,853
15 November 2022	11,946,200	4,203,800	-	(326,552)	15,823,448
15 November 2023		16,868,300	-	-	16,868,300
	41,475,130	22,966,200	(16,070,366)	(808,363)	47,562,601
Average life to vesting (years)	1.88	2.53	-	-	1.92

Note: Share rights have no exercise price.

All share rights have been issued in accordance with the shareholder approved Employee Incentive Plan and Non-Executive Director Share Incentive Plan, and vest into shares for no consideration on the completion of minimum service periods and, in certain cases, the achievement of specified vesting hurdles related to the Company's relative share price performance, internal business targets and/or personal performance.

Directors held 25,769,934 share rights as at 31 December 2020 with an average life to vesting of 1.95 years.

**Terms of Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

		31 December 2020	30 June 2020
		\$'000	\$'000
Share-based payment reserve	(a)	58,051	57,691
Foreign currency translation reserve	(b)	(32,879)	(35,274)
Convertible note reserve	(c)	-	-
Equity reserve	(d)	(1,415)	(1,441)
<b>Total Reserves</b>		<u>23,757</u>	<u>20,976</u>

## **(a) Share-based payment reserve**

Balance at the beginning of the reporting period	57,691	56,954
Share-based payment vesting expense during the period	360	737
Balance at the end of the reporting period	<u>58,051</u>	<u>57,691</u>

The share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions for the acquisition of project interests, the provision of share-based incentives to directors, employees and consultants and the loan benefit provided to One Economy Foundation as part of the loan funding arrangement completed on 30 June 2017.

## **(b) Foreign currency translation reserve**

Reserves at the beginning of the reporting period	(35,274)	(25,676)
Currency translation differences arising during the period	2,395	(9,598)
Balance at the end of the reporting period	<u>(32,879)</u>	<u>(35,274)</u>

The foreign currency translation reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

## **(c) Convertible note reserve**

Balance at the beginning of the reporting period	-	4,038
Transfer to other equity reserve	-	(4,038)
Balance at the end of the reporting period	<u>-</u>	<u>-</u>

The convertible note reserve records the equity portion of the RCFIV convertible note issued on 16 December 2008, refinanced on 31 March 2012 and 22 November 2013, and the RCFVI convertible note issued on 19 June 2014. The convertible notes were extinguished on 31 December 2015, and the remaining balance transferred to the equity reserve on 30 June 2020.

## **(d) Equity reserve**

Balance at the beginning of the reporting period	(1,441)	(4,968)
Movements in equity due to minority interest share of capital contributions provided to subsidiary by Bannerman	26	(511)
Transfer from convertible note reserves	-	4,038
Balance at the end of the reporting period	<u>(1,415)</u>	<u>(1,441)</u>

The equity reserve relates to the Company's equity in its subsidiary Bannerman Mining Resources (Namibia) Pty Ltd, with current year movements relating to the minority interest share of capital contributions provided to the subsidiary by Bannerman and the transfer of the convertible note reserve relating to the equity portion of the RCFIV convertibles that were extinguished on 31 December 2015.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

## 13. SUBSEQUENT EVENTS

On 18 February 2021 the Company issued 114,285,716 fully paid ordinary shares at an issue price of \$0.105 per share to sophisticated and institutional investors. The placement raised gross proceeds of \$12 million for the Company's continuing studies, corporate and working capital.

Other than the event noted above there are no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.

## 14. CONTINGENCIES

On 17 December 2008, the Company entered into a settlement agreement with Savanna Marble CC ("Savanna") relating to Savanna's legal challenge to the Company's rights to the Etango Project Exclusive Prospecting Licence. Under the terms of the Savanna settlement agreement, in consideration for the termination of proceedings, Savanna was entitled to receive \$3.5 million cash and 9.5 million fully paid ordinary shares in Bannerman. The first tranche payment of \$3.0 million and 5.5 million shares was made in early 2009. The second and final tranche payment of \$500,000 and 4.0 million ordinary shares is due to Savanna upon receipt of the Etango Project mining licence. The mining licence application was lodged in December 2009, and was refused on 3 September 2018. Bannerman retains the right to re-apply for a mining licence when the uranium market recovers. As at 31 December 2020, the probability and timing of the grant of a mining licence is uncertain. Due to this uncertainty, the second tranche payment has been disclosed as a contingent liability and not as a provision as at 31 December 2020.

## 15. COMMITMENTS

(a) Exploration and evaluation expenditure

Bannerman currently holds Exclusive Prospecting Licence 3345 (EPL 3345) in Namibia, which is valid until 25 April 2021 and Mineral Deposit Retention Licence 3345 (MDRL 3345), which is valid until 25 April 2022. Both are subject to renewal by the Namibian Ministry of Mines and Energy thereafter.

In order to maintain current rights of tenure to EPL3345, the Group has exploration and evaluation expenditure obligations up until the expiry of that licence. The following stated obligations, which are subject to renegotiation upon expiry of the current licences, are not provided for in the financial statements and represent a commitment of the Group:

	<b>31 December 2020 \$'000</b>	<b>30 June 2020 \$'000</b>
Not longer than one year	78	80
Longer than one year, but not longer than five years	161	150
Longer than five years	-	-
	<u>239</u>	<u>230</u>

If the Group decides to relinquish EPL 3345, and/or does not meet these minimum expenditure obligations or obtain appropriate waivers, assets recognised in the Consolidated Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

## 16. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the management team in assessing performance and in determining the allocation of resources.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

The Group is undertaking development studies and exploring for uranium resources in southern Africa, and hence the operations of the Group represent one operating segment.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

## 17. RELATED PARTY INFORMATION

### Subsidiaries

The consolidated financial statements include the financial statements of Bannerman Resources Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	% Equity Interest	
		31 December 2020	30 June 2020
Bannerman Mining Resources (Namibia) (Pty) Ltd	Namibia	95	95
Bannerman Resources Nominees (UK) Limited	United Kingdom	100	100

### Ultimate Parent

Bannerman Resources Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

### Transactions with related entities:

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

## 18. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2020.

	31 December 2020		30 June 2020	
	\$'000 Carrying Amount	\$'000 Net fair value	\$'000 Carrying Amount	\$'000 Net fair value
<b>Financial assets</b>				
Trade and other receivables	39	39	41	41
<b>Total</b>	<b>39</b>	<b>39</b>	<b>41</b>	<b>41</b>
<b>Financial liabilities</b>				
Trade and other payables	332	332	187	187
Lease liability	31	31	46	46
<b>Total</b>	<b>363</b>	<b>363</b>	<b>233</b>	<b>233</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN AUSTRALIAN DOLLARS)

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## Foreign Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the relevant Group company.

The Group's deposits are largely denominated in Australian dollars. Currently there are no foreign exchange hedge programs in place. The Group manages the purchase of foreign currency to meet operational requirements.

The impact of reasonably possible changes in foreign exchange rates for the Group is not material.



## DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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In accordance with a resolution of the Directors of Bannerman Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2020 and the performance for the half year ended on that date of the Group; and
  - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the Company 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 Board of Directors.



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Brandon Munro  
Chief Executive Officer

PERTH  
10 March 2021

## Independent auditor's review report to the members of Bannerman Resources Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Bannerman Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial 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 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2020 and its consolidated 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*.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gavin Buckingham'.

Gavin Buckingham  
Partner  
Perth  
10 March 2021