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ANTILLES GOLD LIMITED

ABN: 48 008 031 034 ASX CODE: AAU

Financial Report

for the half-year ended

30 June 2021

HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2021

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CORPORATE INFORMATION

ABN 48 008 031 034

DIRECTORS

Brian Johnson *Executive Chairman*

James Tyers *Executive Director*

Ugo Cario *Non-Executive Director*

Angela Pankhurst *Non-Executive Director*

COMPANY SECRETARY

Megan McPherson

REGISTERED OFFICE

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA

Phone: +61 2 4861 1740

SHARE REGISTER

Automic
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Phone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)

Antilles Gold Limited shares are listed on the Australian Securities Exchange.

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of Antilles Gold Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

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 the entire period.

Brian Johnson	Executive Chairman
James Tyers	Executive Director
Ugo Cario	Non-Executive Director
Angela Pankhurst	Non-Executive Director

PRINCIPAL ACTIVITIES & REVIEW OF OPERATIONS

- Progressing the Bankable Feasible Study for the proposed development of the La Demajagua gold/silver mine in Cuba.
- Progressing a 15,000m drilling program on the La Demajagua gold/silver deposit.
- Storage and maintenance of surplus equipment from the Las Lagunas Albion/CIL process plant.

OPERATING RESULTS

Revenue for the period from the Las Lagunas project was US\$234,623 [2020: US\$5,750,086]. All revenue during the current period was generated from the sale of scrap materials and minor plant items.

Net cash outflows from operations after interest paid were US\$1,530,003 [2020: US\$1,686,266].

Earnings before interest, depreciation and amortisation (EBITDA) for the half year were (US\$1,014,587) [2020: US\$1,524,192]. The consolidated net loss for the period was (US\$1,702,617) [2020: S\$1,232,003 profit].

The net assets of the Group at balance date were US\$12,063,057 [31 December 2020: US\$10,883,720].

Cash and cash equivalents as at the balance date were US\$4,001,374 [31 December 2020: US\$3,875,699].

There were no external borrowings as at the current balance date or comparative period balance date.

Corporate Activities

Rights Issue

On 3 May 2021, the company announced a renounceable rights issue to raise up to approximately A\$3.2 million before costs. Under the terms of the offer eligible shareholders were entitled to subscribe for one new share for every four shares held at the record date at an issue price of A\$0.065 per share, with one attaching listed option, exercisable at A\$0.13 and expiring on 30 April 2023, for every two new shares subscribed. The offer closed significantly oversubscribed on 25 May 2021 with the Company receiving subscriptions for a total of 57,246,939 shares and 32,248,243 new options. A total of A\$3,721,052 (US\$2,885,936) was raised before costs.

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS

La Demajagua Gold/Silver Project, Cuba

The Company's Cayman Islands registered subsidiary, Antilles Gold Investments Inc ("AGI"), signed a Joint Venture Agreement on 6 August, 2020 to take up a 49% shareholding in Cuban registered company, Minera La Victoria SA ("MLV"), which intends to develop the La Demajagua gold/silver mine on the Isle of Youth in SW Cuba.

Gold Caribbean Mining SA ("GCM"), a subsidiary of Government owned mining company, GeoMinera SA ("GMSA"), holds 51% of the Joint Venture, resulting from their transfer of the Mining Concession for the La Demajagua gold/silver deposit to MLV.

Under the terms of the Joint Venture Agreement, AGI is contributing US\$13 million equity to MLV between Q4 2020 and Q1 2023 for its 49% shareholding in the proposed Stage One open pit mine. Approximately US\$7 million is being applied to feasibility studies including a two stage 25,000m drilling program, with the US\$6 million balance committed to expenditure on mine infrastructure.

If a decision is made by MLV to develop the Stage Two underground operation, as is expected, it could add a further 10 years to the life of the mine based on historic exploration data.

If AGI wishes to participate in the underground operation it must contribute a further US\$13 million of share capital to MLV in order to maintain its 49% shareholding, which would be expended on additional drilling and underground mine development.

The Group anticipates that it will participate in the underground operations.

Las Lagunas Gold Tailings Project

The Las Lagunas project involving the extraction of gold and silver from stored refractory tailings utilising an Albion/CIL process plant was completed in December 2019.

The plant has been dismantled and surplus equipment stored for future sale, or incorporation in a new plant if the opportunity arises.

Disputes with Dominican Government

The rights and obligations of subsidiary, EnviroGold (Las Lagunas) Limited ("EVGLL") in relation to the Las Lagunas Project are governed by the "Special Contract" which it signed with the Dominican Government in 2004.

As outlined in note 19 in the notes to the financial statements, a number of disputes with the Government were submitted by EVGLL for arbitration on 12 March 2020 under the rules of the World Bank's International Centre for Settlement of Investment Disputes (ICSID) in Washington DC.

The three-member arbitration tribunal has been established and has set out procedural matters and a timetable for the proceedings which are expected to extend to mid-2023.

CHANGE IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

DIRECTORS' REPORT (CONTINUED)

SUBSEQUENT EVENTS & FUTURE ACTIVITIES

Guáimaro Sulphide Gold Project

The Group's subsidiary, Cayman Islands registered Antilles Gold Inc ("AGI") and GeoMinera SA have finalised the terms of an International Economic Association ("IEA") (Exploration Licence) whereby AGI has committed to explore a group of five sulphide gold deposits near Guáimaro in south-east Cuba.

The properties have been the subject of extensive exploration and metallurgical test work during the 1990's by a Canadian mining company and present exceptional development targets for the production of high-grade concentrate at a centralised plant.

AGI expects to commence the exploration program in early 2022 following approval of the IEA by the Cuban Government.

Copper Gold Projects

GeoMinera SA signed a Letter of Intent ("LOI") with AGI on 20 July 2021 which permits AGI to review the prospectivity of a large number of copper/gold deposits held within six Mining Concessions, prior to nominating which properties should be incorporated in an IEA for future exploration and potential development.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the auditor independence requirements of the *Corporations Act 2001*, the directors have received and are satisfied with the "Auditor's Independence Declaration" provided by the company's external auditors HLB Mann Judd. The Auditor's Independence Declaration has been attached immediately after the Directors' Report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the *Corporations Act 2001*.



Brian Johnson
Executive Chairman
2 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Antilles Gold Limited for the half-year ended 30 June 2021, 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
2 September 2021



M R Ohm
Partner

hlb.com.au

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

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2021

	Note	30 Jun 2021 US\$	30 Jun 2020 US\$
Revenue	3	234,623	5,750,086
Other income	4	-	32,659
Cost of sales		-	(2,698,051)
Royalties		-	(45,385)
Employee benefits – non-direct	5	(86,585)	(249,836)
Insurance costs		(18,154)	(99,115)
Occupancy costs		(36,170)	(29,310)
Legal and professional costs		(346,608)	(335,016)
Depreciation and amortisation expense	10, 11, 12	(189,246)	(211,016)
Finance costs	6	(498,784)	(81,173)
Project evaluation costs		(144,647)	(62,442)
Foreign exchange (loss) / profit		(53,636)	23,288
Government profit share		-	(375,606)
Other expenses		(423,336)	(341,785)
Change in value of investments		(140,074)	(45,295)
Profit / (Loss) before income tax expense		(1,702,617)	1,232,003
Income tax benefit / (expense)		-	-
Profit / (Loss) for the period		(1,702,617)	1,232,003
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation movement		(36,744)	(24,827)
Equity-accounted investees – share of other comprehensive income	13	290,914	-
Total other comprehensive income net of tax for the half-year		254,170	(24,827)
Total comprehensive income / (loss) for the half-year		(1,448,447)	1,207,176
Attributable to: Owners of the Parent		(1,448,447)	1,207,176
Total comprehensive income for the half-year attributable to members of the parent		(1,448,447)	1,207,176
		Cents	Cents
Basic earnings per share (cents per share)	20	(0.83)	0.63
Diluted earnings per share (cents per share)	20	(0.83)	0.63

The above Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	30 Jun 2021 US\$	31 Dec 2020 US\$
CURRENT ASSETS			
Cash and cash equivalents	7	4,001,374	3,875,699
Trade and other receivables	8	30,767	83,412
Prepayments and deposits	9	28,369	51,789
TOTAL CURRENT ASSETS		4,060,510	4,010,900
NON – CURRENT ASSETS			
Property, plant and equipment	10	2,685	4,814
Right-of-use assets	11	99,686	13,701
Intangible assets	12	4,316,872	4,495,990
Investment in a joint venture	13	22,972,390	22,681,476
Investments in shares	14	220,895	367,391
TOTAL NON – CURRENT ASSETS		27,612,528	27,563,372
TOTAL ASSETS		31,673,038	31,574,272
CURRENT LIABILITIES			
Trade and other payables	15	855,328	781,835
Provisions	16	487,211	782,871
Contract liabilities	3	9,741	9,741
Lease liabilities	11	35,390	16,135
Joint venture future contributions payable	13	5,375,733	4,416,289
TOTAL CURRENT LIABILITIES		6,763,403	6,006,871
NON – CURRENT LIABILITIES			
Lease liabilities	11	64,216	-
Joint venture future contributions payable	13	12,782,362	14,683,681
TOTAL NON – CURRENT LIABILITIES		12,846,578	14,683,681
TOTAL LIABILITIES		19,609,981	20,690,552
NET ASSETS		12,063,057	10,883,720
EQUITY			
Contributed equity	17	82,150,489	79,590,223
Reserves	18	(2,127,553)	(2,449,241)
Accumulated losses		(67,959,879)	(66,257,262)
TOTAL EQUITY		12,063,057	10,883,720

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 30 JUNE 2021

	Ordinary Shares \$US	Equity Reserve \$US	Options Reserve \$US	Performance Rights Reserve \$US	Share of Joint Venture's Other Comprehensive Income US\$	Foreign Currency Translation Reserve \$US	Accumulated Losses \$US	Total \$US
Balance as at 1 January 2021	79,590,223	(11,773,880)	3,920,449	1,386,963	-	4,017,227	(66,257,262)	10,883,720
Loss for the period	-	-	-	-	-	-	(1,702,617)	(1,702,617)
Other comprehensive income	-	-	-	-	290,914	(36,744)	-	254,170
Total comprehensive income for the period	-	-	-	-	290,914	(36,744)	(1,702,617)	(1,448,447)
Transactions with owners in their capacity as owners:								
Shares issued	2,811,289	-	-	-	-	-	-	2,811,289
Transaction costs on share issue	(325,670)	-	-	-	-	-	-	(325,670)
Share based payments of transaction costs on share issue	74,647	-	67,518	-	-	-	-	142,165
Balance as at 30 June 2021	82,150,489	(11,773,880)	3,987,967	1,386,963	290,914	3,980,483	(67,959,879)	12,063,057
Balance as at 1 January 2020	79,590,223	(11,773,880)	3,920,449	1,386,963	-	3,999,483	(69,978,404)	7,144,834
Profit for the period	-	-	-	-	-	-	1,232,003	1,232,003
Other comprehensive income	-	-	-	-	-	(24,827)	-	(24,827)
Total comprehensive income for the period	-	-	-	-	-	(24,827)	1,232,003	1,207,176
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	79,590,223	(11,773,880)	3,920,449	1,386,963	-	3,974,656	(68,746,401)	8,352,010

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2021

	30 Jun 2021	30 Jun 2020
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from metal and scrap sales	103,711	5,683,701
Receipts from government subsidies	-	32,659
Payments to suppliers and employees	(1,489,433)	(3,895,692)
Payments for project evaluation activities	(144,647)	(62,442)
Interest received	214	53,820
Interest paid	152	(347,202)
Payments of Government profit share	-	(3,151,110)
NET CASH USED IN OPERATING ACTIVITIES	(1,530,003)	(1,686,266)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	71,773
Receipts from redeemed term deposits	-	1,000,000
Receipts from discontinued Investments	36,225	-
Payments for joint venture project development	(997,820)	(100,000)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(961,595)	971,773
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	2,811,289	-
Payment of Share Issue Costs	(183,505)	-
Lease payments	(10,511)	(23,624)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	2,617,273	(23,624)
NET (DECREASE)/INCREASE IN CASH HELD	125,675	(738,117)
Cash at the beginning of the financial period	3,875,699	6,904,666
CASH AT THE END OF FINANCIAL PERIOD	4,001,374	6,166,549

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Reporting Entity

Antilles Gold Limited (the "Company") is a public company, listed on the Australian Securities Exchange, incorporated and domiciled in Australia. The address of the Company's registered office is 55 Kirkham Road, Bowral, NSW, 2576. This half-year financial report covers the consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity") as at 30 June 2021. The half-year financial report is presented in US dollars, which is the consolidated entity's functional and presentational currency.

(b) Basis of preparation

These general purpose financial statements for the half-year ended 30 June 2021 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*.

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

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 31 December 2020 and considered together with any public announcements made by Antilles Gold Limited during the half-year ended 30 June 2021 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

(c) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2022):

When effective, these amendments will clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The directors anticipate that the adoption of AASB 2014-10 will not have an impact on the Group's financial statements.

(d) Going concern

The Group made a loss of (US\$1,702,617) for the half-year ended 30 June 2021 [2020: profit of US\$1,232,003]. Net cash outflows from operations after interest paid for the six months ending 30 June 2021 were (US\$1,530,003) [2020: (US\$1,686,266)]. As at 30 June 2021, the Group's current liabilities exceeded its current assets by (US\$2,702,893) [2020: current assets exceeded current liabilities by US\$1,995,971].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

The Las Lagunas Gold Tailings Project in the Dominican Republic finished production in December 2019. The Company's rights and obligations in relation to the Las Lagunas Project are governed by the "Special Contract" entered into with the Dominican Government. As outlined in Note 29, a number of disputes with the Government have been submitted for arbitration under the rules of the World Bank's International Centre for Settlement of Investment Disputes (ICSID) in Washington DC.

The Group has entered into an Agreement with a subsidiary of Cuban Government owned mining company, GeoMinera S.A., for the joint venture company, Minera La Victoria S.A., to develop the La Demajagua gold/silver mine. Minera La Victoria was registered in August 2020. The Group has committed to provide a total of US\$25.9 million of equity capital to Minera La Victoria across two stages of development. The first stage, totalling approximately US\$13.0 million, is payable between Q4 2020 and Q1 2023 to progress feasibility studies and pay for infrastructure for the La Demajagua open pit gold/silver mine. The second stage, totalling US\$12.9 million is payable between July 2026 and June 2027 provided the Group wishes to participate in the stage two underground mining operation at La Demajagua.

The Directors are confident of obtaining the necessary funds for the project in Cuba through the issue of equity and/or borrowings and of a favourable outcome from the arbitration process, to be able to pay its debts as and when they fall due.

Having reviewed the business outlook and cash flow forecasts and taking into account the above matters, the Directors are of the opinion that the use of the going concern basis of accounting is appropriate. Notwithstanding this, the above conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

2. SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segment is identified by management by project – discrete financial information about this operating segment is reported to the executive management team on at least a monthly basis. Management has identified the Las Lagunas project, its Albion/CIL plant design and the La Demajagua project as the group's main operating segments. Other segment information comprises a variety of projects that do not meet the definition of an operating segment on a quantitative basis.

The following tables present revenue and profit information for business segments for the half year ended 30 June 2021 and 30 June 2020, and assets and liabilities information for the half year ended 30 June 2021 and full year ended 31 December 2020:

Information about reportable segments

	Las Lagunas Project		Albion/CIL Plant Design		La Demajagua Project		Others		Consolidated	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
External revenue	93,082	5,745,670	-	-	-	-	-	-	93,082	5,745,670
Inter segment revenue	-	-	-	-	-	-	141,327	-	141,327	-
Interest revenue	11	1,663	-	-	-	-	203	2,753	214	4,416
Interest expense	(53)	(41,994)	-	-	(498,936)	-	205	(39,179)	(498,784)	(81,173)
Depreciation and amortisation	(2,127)	(21,402)	(179,118)	(179,118)	-	-	(8,001)	(10,496)	(189,246)	(211,016)
Other Income	-	-	-	-	-	-	-	32,659	-	32,659
Reportable segment profit/(loss) before income tax	(168,153)	2,327,587	(179,118)	(179,118)	(675,744)	-	(679,602)	(916,466)	(1,702,617)	1,232,003
Other material non-cash items										
Foreign exchange (loss)/gain	(4,529)	41,532	-	-	-	-	(49,107)	(18,244)	(53,636)	23,288
Interest on deferred settlement of contributions	-	-	-	-	(498,936)	-	-	-	(498,936)	-
Share based payments of transaction costs on share issue	-	-	-	-	-	-	(142,165)	-	(142,165)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

2. SEGMENT REPORTING (CONTINUED)

	Las Lagunas Project		Albion/CIL Plant Design		La Demajagua Project		Others		Consolidated	
	30 Jun 2021 US\$	31 Dec 2020 US\$	30 Jun 2021 US\$	31 Dec 2020 US\$	30 Jun 2021 US\$	31 Dec 2020 US\$	30 Jun 2021 US\$	31 Dec 2020 US\$	30 Jun 2021 US\$	31 Dec 2020 US\$
Segment assets	2,099,989	3,090,444	4,316,872	4,495,990	24,566,334	22,681,476	24,869,082	21,925,267	55,852,277	52,193,177
Capital expenditure	-	-	-	-	-	-	-	3,842	-	3,842
Segment liabilities	664,270	1,486,573	-	-	20,458,541	19,491,507	26,952,468	25,947,189	48,075,279	46,925,269

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

2. SEGMENT REPORTING (CONTINUED)

	30 Jun 2021 US\$	30 Jun 2020 US\$
Revenue		
Total revenue for reportable segments	234,409	5,745,670
Consolidated revenue	234,409	5,745,670

	30 Jun 2021 US\$	31 Dec 2020 US\$
Assets		
Total Assets for reportable segments	55,852,277	52,193,177
Elimination of investments in subsidiaries	(19,485,731)	(18,183,076)
Elimination of intercompany loans and interest	(28,465,298)	(26,234,717)
Elimination of provision for intercompany loans	23,136,161	23,136,161
Elimination of head office expenses charged to projects	635,629	662,727
Consolidated total assets	31,673,038	31,574,272

	30 Jun 2021 US\$	31 Dec 2020 US\$
Liabilities		
Total liabilities for reportable segments	48,075,279	46,925,269
Elimination of intercompany loans and interest	(28,465,298)	(26,234,717)
Consolidated total liabilities	19,609,981	20,690,552

Geographical Information

Geographical non-current assets	30 Jun 2021 US\$	31 Dec 2020 US\$
Dominican Republic	21,872	1,176
Cuba	22,972,390	22,681,476
Australia	4,618,266	4,880,720
	27,612,528	27,563,372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

3. REVENUE

	30 Jun 2021 US\$	30 Jun 2020 US\$
Revenue from continuing operations		
<i>Sales revenue</i>		
Sales of gold	-	5,277,140
Sales of silver	-	231,702
Less: Refinery and freight costs	-	(37,566)
Sales of minor plant items	73,237	71,773
Sales of scrap materials	19,845	202,621
Minor plant items transferred to joint venture	141,327	-
	234,409	5,745,670
<i>Other revenue</i>		
Interest received	214	4,416
	234,623	5,750,086

Recognition and measurement

Nature of goods and services

The Group's revenue was generated from the sale of scrap materials and minor plant items following closure of the Las Lagunas project in the Dominican Republic. The Group has concluded there is no significant financing associated with any sale.

Revenue recognition

Sales of scrap and fully depreciated assets

Revenue is recognised when the customer obtains control of the product and selling price can be determined with reasonable accuracy. Sales revenue represents gross proceeds recoverable from the customer.

Under AASB 15, each sale is a separate customer contract whereby revenue is recognised at a point in time upon delivery to the customer. The full risk of the material passes to the customer when the customer takes delivery. During the prior reporting period a deposit was paid by a customer for goods to be held pending delivery post balance date, therefore the performance obligation for this contract had not been satisfied at balance date. As a result the payment received associated with this sale is recorded as a contract liability in the amount of US\$9,741 in the Consolidated Statement of Financial Position for the current reporting period [2020: US\$9,741].

4. OTHER INCOME

		30 Jun 2021 US\$	30 Jun 2020 US\$
Government subsidies received	(i)	-	32,659
		-	32,659

- (i) During 2020 the Australian Government provided temporary cash flow support to small and medium businesses and not-for-profit organisations that employ staff during the economic downturn associated with coronavirus. A payment of A\$50,000 was provided to the Company during the first half of 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

5. PROFIT / (LOSS) BEFORE TAX

	30 Jun 2021 US\$	30 Jun 2020 US\$
(Loss) / Profit includes, amongst others, the following:		
Employee costs – salaries	74,908	262,434
Employee costs – superannuation	7,075	16,928
Employee costs – other	4,602	(29,526)
	86,585	249,836

6. FINANCE COSTS

	30 Jun 2021 US\$	30 Jun 2020 US\$
Interest on loan borrowings	-	80,378
Interest on deferred settlement of contributions (i)	498,936	-
Lease interest	(152)	795
	498,784	81,173

- (i) Joint venture future contributions payable, as described in note 13, are initially recognised at the fair value of the future contributions using a discounted cash flow method. The liability is subsequently measured at amortised cost using the effective interest method. The value of interest on deferred settlement of contributions represents a non-cash finance charge which is generated for valuation purposes only.

7. CASH AND CASH EQUIVALENTS

For the purpose of the half-year Statement of Cash Flows, cash and cash equivalents are comprised of the following:

	30 Jun 2021 US\$	31 Dec 2020 US\$
Cash at bank and on hand	3,959,956	3,833,308
Cash on deposit	41,418	42,391
	4,001,374	3,875,699

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	30 Jun 2021 US\$	31 Dec 2020 US\$
Trade receivables	30,767	47,187
Other receivables	-	36,225
	30,767	83,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

9. PREPAYMENTS & DEPOSITS

	30 Jun 2021 US\$	31 Dec 2020 US\$
Prepayments and bonds	28,369	51,789
	28,369	51,789

10. PROPERTY, PLANT & EQUIPMENT

30 June 2021	Mine Buildings and Plant US\$	Plant and Equipment US\$	Total US\$
Cost			
Balance 1 January 2021	67,512,011	9,867,883	77,379,894
Additions	-	-	-
Balance 30 June 2021	67,512,011	9,867,883	77,379,894
Accumulated Depreciation			
Balance 1 January 2021	(47,653,680)	(9,863,069)	(57,516,749)
Depreciation expense	-	(2,129)	(2,129)
Balance 30 June 2021	(47,653,680)	(9,865,198)	(57,518,878)
Impairment			
Balance 1 January 2021	(19,858,331)	-	(19,858,331)
Balance 30 June 2021	(19,858,331)	-	(19,858,331)
Carrying Value 30 June 2021	-	2,685	2,685

31 December 2020	Mine Buildings and Plant US\$	Plant & Equipment US\$	Total US\$
Cost			
Balance 1 January 2020	67,512,011	9,864,041	77,376,052
Additions	-	3,842	3,842
Balance 31 December 2020	67,512,011	9,867,883	77,379,894
Accumulated Depreciation			
Balance 1 January 2020	(47,653,680)	(9,851,893)	(57,505,573)
Depreciation expense	-	(11,176)	(11,176)
Balance 31 December 2020	(47,653,680)	(9,863,069)	(57,516,749)
Impairment			
Balance 1 January 2020	(19,858,331)	-	(19,858,331)
Impairment	-	-	-
Balance 31 December 2020	(19,858,331)	-	(19,858,331)
Carrying Value 31 December 2020	-	4,814	4,814

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

11. LEASE ASSETS AND LIABILITIES

During the half year ended 30 June 2021 the Group leased office premises in Bowral (Australia) and in Santo Domingo (Dominican Republic). Information about leases for which the Group is a lessee is presented below.

Right-of-use lease assets

	Office Premises US\$	Residential Premises US\$	Total US\$
June 2021			
Balance at 1 January 2021	13,701	-	13,701
Additions	96,871	-	96,871
Depreciation charge for the half year	(7,999)	-	(7,999)
Foreign currency adjustment	(2,887)	-	(2,887)
Balance at 30 June 2021	99,686	-	99,686

	Office Premises US\$	Residential Premises US\$	Total US\$
December 2020			
Balance at 1 January 2020	33,745	13,638	47,383
Depreciation charge for the year	(21,131)	(13,638)	(34,769)
Foreign currency adjustment	1,087	-	1,087
Balance at 31 December 2020	13,701	-	13,701

Lease liabilities

	30 Jun 2021 US\$	31 Dec 2020 US\$
Maturity analysis – contractual undiscounted cash flows		
Less than one year	37,990	16,338
One to five years	66,220	-
More than five years	-	-
Total undiscounted lease liabilities	104,210	16,338
Lease liabilities included in the statement of financial position	99,606	16,135
Current	35,390	16,135
Non-current	64,216	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

11. LEASE ASSETS AND LIABILITIES (CONTINUED)

Amounts recognised in profit or loss

	30 Jun 2021 US\$	30 Jun 2020 US\$
Interest on lease liabilities	(152)	795
Expenses relating to short-term leases	19,562	14,160

Amounts recognised in the statement of cash flows

	30 Jun 2021 US\$	30 Jun 2020 US\$
Total cash outflow for leases	10,511	23,624

12. INTANGIBLE ASSETS

	30 Jun 2021 US\$	31 Dec 2020 US\$
Development costs		
Albion/CIL processing plant design costs		
Balance at the beginning of the period	4,495,990	4,856,746
Amortisation expense	(179,118)	(360,756)
Closing balance	4,316,872	4,495,990
Total intangible assets	4,316,872	4,495,990

13. JOINT VENTURE – INVESTMENT AND COMMITMENTS

In August 2020 the Group acquired a 49% interest in Cuban registered, Minera La Victoria S.A. ("MLV"), a joint venture formed with Gold Caribbean Mining SA ("GCM"), a subsidiary of Cuban Government owned mining company, GeoMinera SA ("GMSA"), to develop the La Demajagua gold / silver mine on the Isle of Youth in SW Cuba. The Group's interest in MLV is accounted for using the equity method in the consolidated financial statements.

Under the terms of the joint venture agreement, GCM has paid for its 51% shareholding by providing the mining licence and historical data and information for the La Demajagua gold/silver deposit, with a fair value of US\$27,000,000. The Group is required to pay for its 49% shareholding by making capital contributions of US\$25,941,176 to fund the two stages of the mine development. The Group's contributions are required to be made across the two stages, with the first stage to be paid for progressively over a two and a quarter year period, commencing in Q4 of 2020 and ending in Q1 of 2023. The second stage is to be paid for over a one year period between Q3 of 2026 and Q2 of 2027 if the Group wishes to participate in stage two.

The joint venture future contributions payable is initially recognised at the fair value of the future contributions. They are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

13. JOINT VENTURE – INVESTMENT AND COMMITMENTS (CONTINUED)

Net assets of joint venture at formation date	US\$
Intangible assets	27,000,000
Cash	100,000
Other receivables - future capital contributions	19,188,726
	46,288,726

The carrying amount of the investment in the joint venture and the liabilities for future capital contributions at balance are shown in the following tables:

Investment in a joint venture	30 Jun 2021 US\$	31 Dec 2020 US\$
Group's share of net assets, initial investment – 49%	22,681,476	22,681,476
Group's share of other comprehensive income – 49%	290,914	-
Group's carrying amount of the investment	22,972,390	22,681,476

Future capital contributions	30 Jun 2021 US\$	31 Dec 2020 US\$
Future contributions payable - beginning balance	19,099,970	19,188,726
Contributions paid during the period	(1,440,811)	(255,067)
Interest on deferred settlement of contributions	498,936	166,311
	18,158,095	19,099,970

Future capital contributions	30 Jun 2021 US\$	31 Dec 2020 US\$
Future contributions payable – current	5,375,733	4,416,289
Future contributions payable – non-current	12,782,362	14,683,681
	18,158,095	19,099,970

Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Minera La Victoria S.A:

	30 Jun 2021 US\$	31 Dec 2020 US\$
Current assets	106,856	151,809
Non-current assets	47,619,659	46,144,814
Current liabilities	(844,086)	(7,897)
Equity	46,882,429	46,288,726
Group's share in equity - 49%	22,972,390	22,681,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

14. INVESTMENTS IN SHARES

		30 Jun 2021 US\$	31 Dec 2020 US\$
Shares Black Dragon Gold Corp	Level 1	220,895	367,391
		220,895	367,391

The Group subscribed for 11,000,000 shares in TSX Listed Black Dragon Gold Corp (“BDG”) to assist in funding exploration of a Spanish gold prospect of interest to the company. In May 2018 BDG completed a consolidation of its issued and outstanding common shares on the basis of three (3) pre-consolidation common shares, options and warrants to one (1) post consolidation common share, option or warrant. BDG was listed on the ASX on 29 August 2018 (ASX: BDG) and de-listed from the TSX on 28 February 2019. The 3,666,666 post consolidation shares are shown at fair value through profit or loss.

15. TRADE & OTHER PAYABLES (CURRENT)

	30 Jun 2021 US\$	31 Dec 2020 US\$
Trade Creditors - Current		
Other corporations	521,315	422,022
Director related entities	15,471	16,043
Accruals	318,542	343,770
	855,328	781,835

16. PROVISIONS (CURRENT)

	30 Jun 2021 US\$	31 Dec 2020 US\$
Site restoration and rehabilitation	-	214,017
Employee benefits (expected to be settled within 12 months)	199,727	281,370
Government share of cash flow (PUN)	287,484	287,484
	487,211	782,871

Movements of restoration provision:

Carrying amount at the start of the year	214,017	2,863,180
Amounts paid during the period	(214,017)	(2,649,163)
Carrying amount at the end of the period	-	214,017

Movements of employee benefits provision:

Carrying amount at the start of the year	281,370	1,301,718
Amounts paid during the period	(81,643)	(1,020,348)
Carrying amount at the end of the period	199,727	281,370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

16. PROVISIONS (CURRENT) (CONTINUED)

Movements of Government share of cash flow (PUN) provision:

Carrying amount at the start of the year	287,484	3,151,110
Amounts paid during the period	-	(3,151,110)
Provisions recognised during the period	-	287,484
Carrying amount at the end of the period	287,484	287,484

17. CONTRIBUTED EQUITY

	30 Jun 2021 US\$	31 Dec 2020 US\$
(A) Paid Up Capital		
Ordinary shares fully paid	82,150,486	79,590,220
Non-redeemable preference shares	3	3
	82,150,489	79,590,223

	30 Jun 2021		31 Dec 2020	
	No. of Shares	US\$	No. of Shares	US\$
(B) Movements in ordinary shares on issue				
Beginning of the financial period	195,141,649	79,590,220	195,141,649	79,590,220
Rights issue allotments	57,246,939	2,885,936	-	-
Capital raising costs	-	(325,670)	-	-
Balance	252,388,588	82,150,486	195,141,649	79,590,220

(C) Terms and Conditions of Contributed Equity

Ordinary shares have no par value. Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote either in person or by proxy, at a meeting of the Company.

18. RESERVES

Foreign currency translation reserve

Exchange differences arising on translation of the Australian Parent Entity (Antilles Gold Limited) and Australian Subsidiary (Antilles Gold Technologies Pty Ltd) are taken to the foreign currency translation reserve.

Option reserve

The option reserve is used to record the value of share-based payments issued to directors, employees and external parties.

Fair value of options granted is independently determined using the Black Scholes option valuation methodology which takes into account the risk free interest rate and share price volatility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

18. RESERVES (CONTINUED)

Performance rights reserve

The performance rights reserve is used to recognise the fair value of performance rights issued to employees.

Equity reserve

The Equity reserve of \$11,773,880 is a consequence of the consolidated entity acquiring 30% of the shares in EnviroGold (Las Lagunas) from Grimston World Inc. on 3 December 2010. The increase in ownership from 70% to 100% was accounted for as an equity transaction.

19. LITIGATION AND CONTINGENT LIABILITIES

Status as at 30 June 2021 follows:

EnviroGold (Las Lagunas) Limited (“EVGLL”) v Gruas Liriano

EVGLL filed a lawsuit in the Dominican Republic for damages against crane operator, Gruas Liriano, for damage caused to one of its dredges. On 14 October 2020, EVGLL was awarded damages of US\$680,000 however Gruas Liriano appealed this decision, which has not yet been heard. A counterclaim by Gruas Liriano was dismissed.

Disputes with Dominican Government

The Company’s rights and obligations in relation to the Las Lagunas Project are governed by the “Special Contract” it signed with the Dominican Government in 2004. As outlined below, a number of disputes with the Government have been submitted for arbitration under the rules of the World Bank’s International Centre for Settlement of Investment Disputes (ICSID) in Washington DC. A decision by the arbitration tribunal is scheduled for mid-2023.

i. Tailings Dam Site

The Company has submitted a formal Claim to the Dominican Government for costs relating to its failure, at the commencement of the project, to provide a suitable site for constructing a dam for depositing reprocessed tailings from the Las Lagunas Albion/CIL plant. The provision of the dam site was an obligation of the Government under the Special Contract.

The inability of EVGLL to construct a new storage dam resulted in the reprocessed tailings having to be deposited back into the same storage facility from which they were mined, and also prohibited blending of the feed to the flotation circuit which resulted in additional direct costs and inefficiencies in the operation of the plant.

The Claim, which has been rejected by the Government, was prepared by independent consultants and has been submitted for arbitration.

The Claim for costs to 31 December 2020 amounted to US\$18,680,000. Approximately US\$115,000 of additional costs were incurred to 30 June 2021 and will be added to the Claim.

ii. Taxation Matters

Despite very clear documentation in the Special Contract that EVGLL will benefit from an “exemption from any type of tax, fee, duty, national or municipal”, the Dominican Government has repeatedly submitted assessments to EVGLL for ‘asset tax’ and ‘income tax’, which have had to be defended in the Courts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

19. LITIGATION AND CONTINGENT LIABILITIES (CONTINUED)

As advised to the ASX on 17 December 2019 the Supreme Court of the Dominican Republic has ruled in favour of EVGLL's interpretation of the Special Contract. A second decision from the Dominican Supreme Court acknowledging EVGLL's tax exemption was handed down on 28 July 2021.

The Government decided to challenge the Supreme Court decision in the Constitutional Court. EVGLL's legal counsel has advised that such challenge is highly unlikely to succeed as it was a condition precedent to the validity of the Special Contract providing exemptions on taxation, that such exemptions be approved by Congress in the Dominican Republic within 90 days of the signing of the Special Contract. The Special Contract was approved by the Dominican Congress as required, and officially gazetted on 5 August 2004.

Resolution of this dispute has been included as a subject matter for arbitration.

In December 2020, EVGLL received a Garnishee Notice from the Government's taxation department which prevents the sale or export of surplus equipment stored at Las Lagunas, based on a declaration that taxes were owed by EVGLL. EVGLL's legal counsel has advised EVGLL that the Notice was knowingly and illegally issued based on the Supreme Court's earlier decision that taxation was not applicable to the project. Legal proceedings have been commenced to have the notice rescinded.

EVGLL also disputes the Governments' interpretation of the Special Contract that its share of cash flow after recovery of the project investment ("PUN") and royalties payable to the Government are taxes and as such interest and penalties should apply under the Tax Code for any late payments even in the event of delays in payments occasioned by disagreement and resolution of applicable amounts.

EVGLL has sought declaratory relief with regards to this matter in the application for arbitration and has also sought to recover approximately US\$500,000 of legal costs incurred defending its position against tax assessments, and US\$350,000 levied as penalties and interest for late payments of royalties in 2015 and 2016.

iii. Share of Cash Flow (PUN)

The Dominican Government does not agree with the amount of PUN paid by EVGLL for 2018, 2019 and 2020. As a consequence, this matter has been added to the arbitration proceedings.

20. EARNINGS PER SHARE

	30 Jun 2021 US\$	30 Jun 2020 US\$
Numerator used for basic and diluted EPS:		
(Loss)/Profit after tax attributable to the owners of Antilles Gold Limited	(1,702,617)	1,232,003
Number of shares		
Weighted average number of ordinary shares outstanding during the half year used in calculating the basic EPS	204,630,092	195,141,649
Weighted average number of ordinary shares outstanding during the half year used in calculating the diluted EPS	204,630,092	195,141,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2021

21. FINANCIAL INSTRUMENTS

The Group has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For all of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable is either close to current market rates or the instruments are short-term in nature.

The Group has US\$220,895 of investments measured at fair value through profit or loss. Fair value is ascertained via Level 1 inputs, being quoted prices in active markets.

22. EVENTS SUBSEQUENT TO REPORTING DATE

Guáimaro Sulphide Gold Project

The Group's subsidiary, Cayman Islands registered Antilles Gold Inc ("AGI") and GeoMinera SA have finalised the terms of an International Economic Association ("IEA") (Exploration Licence) whereby AGI has committed to explore a group of five sulphide gold deposits near Guáimaro in south-east Cuba.

The properties have been the subject of extensive exploration and metallurgical test work during the 1990's by a Canadian mining company and present exceptional development targets for the production of high-grade concentrate at a centralised plant.

AGI expects to commence the exploration program in early 2022 following approval of the IEA by the Cuban Government.

Copper Gold Projects

GeoMinera SA signed a Letter of Intent ("LOI") with AGI on 20 July 2021 which permits AGI to review the prospectivity of a large number of copper/gold deposits held within six Mining Concessions, prior to nominating which properties should be incorporated in an IEA for future exploration and potential development.

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DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2021

In accordance with a resolution for the directors of Antilles Gold Limited, the Directors of the Company declare that:

- a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2021 and the performance of the half year ending on that date of the consolidated entity; and
 - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional requirements; and
- b. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board,



Brian Johnson

Executive Chairman

2 September 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Antilles Gold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Antilles Gold Limited ("the company") which comprises the consolidated statement of financial position as at 30 June 2021, 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 information, and the directors' declaration, for the consolidated entity 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 half-year financial report of Antilles Gold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the Group 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hلبwa.com.au

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
2 September 2021



M R Ohm
Partner

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