



**Metro Mining Limited
and Controlled Entities**
ABN 45 117 763 443

**Interim Financial Report
for the Half-year Ended 30 June 2020**

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Metro Mining Limited
Directors' Report
30 June 2020

Your directors present their interim financial report on the consolidated entity consisting of Metro Mining Limited (the Company, the Group) and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

1. DIRECTORS

The names of the directors who held office during or since the end of the half-year and to the date of this report are:

- | | |
|-------------------|---|
| ▪ Stephen Everett | Independent Non-Executive Chairman |
| ▪ Simon Finnis | Managing Director and Chief Executive Officer |
| ▪ Philip Hennessy | Independent Non-Executive Director |
| ▪ Fiona Murdoch | Independent Non-Executive Director |
| ▪ Mark Sawyer | Non-Executive Director |

The alternate directors who served during the half-year and to the date of this report were:

- | | |
|-------------------|------------------------------------|
| ▪ Michael Haworth | Alternate Director for Mark Sawyer |
|-------------------|------------------------------------|

Lucas Dow was an independent non-executive director of the Company from the beginning of the financial period until his resignation on 18 March 2020.

2. OPERATING RESULTS

The loss of the consolidated entity for the period was \$5.534 million (30 June 2019: loss of \$9.003 million). The loss results primarily from the Bauxite Hills mine being in a planned wet-season shutdown during the first quarter of 2020 and the associated holding costs incurred during this period.

3. REVIEW OF OPERATIONS

Overview

The Group's key project is the Bauxite Hills mine located on western Cape York in Queensland. This has been the focus of Group activities during the first half of 2020. Key operational highlights include:

- Total bauxite shipped was 1.251 million wet metric tonnes (WMT), an increase of 50% compared to the same period in 2019.
- Total bauxite mined was 1.419 million WMT, an increase of 61% compared to the same period in 2019.
- Shipping and mining rates were at record levels since operations commenced in 2018.
- Unit Site EBITDA for the operating period (i.e. April to June 2020) was A\$11.26 per WMT, an improvement from A\$10.89 per WMT generated in the equivalent quarter in 2019.
- Work was completed on the detailed engineering and design of the Stage 2 expansion to an annual operating production rate of 6.0 million WMT.
- Completion of modifications at the port area and barge loading facilities which increased loading rates and provided significant cost efficiency improvements.
- The Group successfully operated within the established policies and procedures in response to novel coronavirus at corporate offices and the Bauxite Hills mine.

Debt financing for Stage 2 is in place through the offer of a loan facility of up to A\$47.5 million from the Northern Australia Infrastructure Facility (NAIF) to fund the offshore floating terminal. Final timing of proceeding with the expansion will be influenced by the uncertainty over the outlook for global growth and associated volatility in aluminium and alumina prices due to the impact of novel coronavirus.

3. REVIEW OF OPERATIONS (continued)

Sales Outlook

As a result of novel coronavirus, market conditions deteriorated during the period including in the aluminium supply chain. Although improving, alumina and bauxite prices remain under pressure.

Negotiations with refineries continue to advance, however no further bauxite has been sold for 2020 outside the foundation Xinfu contract. Accordingly, the Bauxite Hills mine will move into its planned 2020 wet season shutdown earlier than usual. The decision has been made given the ongoing impact of novel coronavirus on market conditions across the aluminium supply chain which continues to negatively impact market demand and prices.

Although it is likely the period of closure would extend from mid-September through to April 2021 when deliveries into existing contracts would recommence, the mine could reopen in 2020 if justified by further sales.

Financial Performance Summary

For the half year ended 30 June 2020, the Group generated revenue of \$66.329 million from bauxite sales and recorded a net loss after tax of \$5.534 million. Cash and trade and other receivables for the Group was \$44.393 million and net current assets at year-end were \$19.413 million.

	6 Months 30 Jun 2020 \$'000	6 Months 30 Jun 2019 \$'000
Revenue from contracts with customers	66,329	48,413
Cost of sales	(66,489)	(51,015)
Gross loss	(160)	(2,602)
Other income and expenses	(4,773)	(6,265)
Loss before income tax and net finance expenses	(4,933)	(8,867)
Financial income	54	143
Financial expenses	(2,885)	(4,138)
Loss before income tax benefit	(7,764)	(12,862)
Income tax benefit	2,230	3,859
Loss after income from continuing operations	(5,534)	(9,003)

Underlying EBITDA Result (non-IFRS measure)

Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the directors' assessment of the result for the ongoing business activities of the Group. These numbers have not been audited.

Loss before tax from continuing operations	(7,764)	(12,862)
Foreign exchange loss	710	946
Cost of transition to owner-operator	-	1,921
Amortisation of deferred borrowing costs	29	1,303
Underlying loss before tax	(7,025)	(8,692)
Net finance costs (excluding leasing expense)	2,098	2,692
Depreciation and amortisation	4,475	3,306
Underlying EBITDA from ordinary activities	(452)	(2,694)

3. REVIEW OF OPERATIONS (continued)

Cashflow

In the half year to 30 June 2020, net cash outflow was \$4.195 million. The net outflow from operating activities was \$3.330 million. Cash inflows from investing activities were \$4.714 million; primarily attributable to the Company electing to opt-in to the Queensland Government's Financial Provisioning Scheme which resulted in the release of \$6.9 million of restricted cash held under cash-backed bank guarantees. The net outflow of \$5.579 million from financing activities relates to the payment of interest on finance facilities, the net repayment of loan principal and lease payments.

	6 Months 30 Jun 2020 \$'000	6 Months 30 Jun 2019 \$'000
Net cash at the beginning of the period	32,547	23,367
Net cash from operating activities	(3,330)	(2,807)
Net cash from investing activities	4,714	(6,111)
Net cash from financing activities	(5,579)	(2,556)
Net decrease in cash held	(4,195)	(11,474)
Net foreign exchange difference	(35)	(543)
Net cash at the end of the period	28,317	11,350

Bauxite Hills Project – Cape York, Queensland

Bauxite Production and Sales Review

Key Statistics

Bauxite mined

Bauxite shipped

6 Months 30 Jun 2020 WMT '000	6 Months 30 Jun 2019 WMT '000
1,419	880
1,251	837

Average sales price per tonne shipped

6 Months 30 Jun 2020 A\$ per WMT	6 Months 30 Jun 2019 A\$ per WMT
\$52.71	\$57.29

Following the planned wet season shut down, land-based day shift mining activities at the Bauxite Hills mine commenced on 2nd April 2020 moving to a regular 24 hours a day, seven days a week basis on 8th April. Additional novel coronavirus protocols were introduced as part of the start-up. During the half year, 19 vessels were loaded with a total of 1.251 million WMT of bauxite; an increase of 50% on the same period in 2019. All production during the period was sold and shipped to Chinese refineries and deliveries were within contractual specifications.

The Group's revenue from the sale of bauxite is denominated in United States dollars (USD) and sales were delivered under a long-term off-take agreement with Shandong Xinfu Import and Export Co., Ltd (Xinfu). Under this agreement, prices received are linked to an alumina price index denominated in RMB, the official Chinese currency.

3. REVIEW OF OPERATIONS (continued)

Bauxite Hills Project – Cape York, Queensland (continued)

The average (gross) sales price received during the period was A\$52.71 per WMT; a decrease of 8% on the corresponding period in 2019.

As a result of novel coronavirus, economic and market conditions deteriorated during the half-year including the aluminium supply chain. There was a softening in the Chinese domestic market resulting in lower alumina and bauxite prices and a weaker RMB/USD exchange rate. This dampening effect on USD denominated sales revenue was further exacerbated by a rising AUD/USD exchange rate towards the end of the period.

The Group's marketing strategy for the remainder of the 2020 year is focused on executing further medium to long-term offtake agreements to underpin current operations and support the planned expansion of the Bauxite Hills mine to a 6.0 million WMT per annum operating rate from 2022.

All aspects of the logistics chain exceeded expectations. Mining and haulage benefitted from the mobilisation of additional haulage equipment and high machine availabilities, the barge loading facility operated at or above required levels, and ship-loading rates were assisted by high operator productivity and favourable sea-state conditions with minimal time lost during the period as a result of swell conditions.

Specific improvements included:

- The additional three triple trailer sets (200t capacity each set) operated during the quarter which ensured mining rates exceeded budget despite ore being sourced from the BH1 deposit which is further from the port facilities;
- Capacity at the screening plants which has been proven at the 850 tph level and has exceeded this rate during the quarter; and
- Modifications made at the barge loading facility during the wet season which were successful with average loading rates of 1,350 tph and a peak of 1,600 tph.

As a result of these modifications, there were significant operational efficiencies and overall cost reductions across the site resulting in site production unit costs averaging A\$18.92 per WMT during the operating period (April to June) as compared to \$23.47 per WMT for the same period in 2019.

The cost of ocean freight averaged A\$17.45 per WMT for the half-year (2019: A\$16.79 per WMT). There was significant volatility during the period reflecting the variations experienced in global freight markets. The Company's costs were partially cushioned from this volatility with ships secured through a combination of spot bookings and through contracts of affreightment established in late 2019. The cost of royalties was A\$5.08 per WMT (2019: A\$6.15 per WMT).

Stage 2 Expansion

Work was completed on the detailed engineering and design work related to the Stage 2 expansion to an annual operating production rate of 6.0 million WMT. Rocktree Consulting (EPCM consultants for the floating terminal) has tendered for the long lead time items and the project costs remain in line with DFS estimates. Key suppliers have been identified and contractual negotiations with these groups are well advanced.

Debt financing for Stage 2 remains on track with notification received during the period from the Queensland Treasury for the State Government's "No Veto" decision of the previously announced loan facility from the Northern Australia Infrastructure Facility. Drawdown on this facility has a sunset date of 30 September 2020 and discussions are underway to extend this date.

3. REVIEW OF OPERATIONS (continued)

Bauxite Hills Project – Cape York, Queensland (continued)

Timing for the formal commitment to Stage 2 is being influenced by the uncertainty over the outlook for global growth and associated volatility in aluminium and alumina prices due to the impact of novel coronavirus. This short-term uncertainty is currently negatively impacting general confidence in the sector and customers' preparedness to enter into offtake agreements. With funding now secured and negotiations with key supply contracts well advanced, the Company will continue to monitor the market conditions prior to taking the decision to formally proceed.

As a result of these, and any further potential delays, completion of the Stage 2 expansion is not expected to occur until late 2021. Production next year would therefore likely be between 4.0-4.5M WMT depending on the precise timing of commitment to Stage 2.

Indigenous Engagement

The Group continues to prioritise the employment of personnel from the traditional owners of the land, the Ankamuthi people, and other indigenous employees. However, the travel and access restrictions in place for remote communities as a result of novel coronavirus meant a number of the Group's indigenous personnel were temporarily unable to resume employment at the start of the 2020 operating season. Despite this restriction, approximately 25% of positions at the Bauxite Hills mine are held by indigenous employees which meets the Group's 2020 indigenous workforce target of 25%.

The Group continues to promote engagement with the local communities in which it operates and is pleased to sponsor community events that encourage and maintain the cultural heritage of the region. Included among the activities undertaken during the period were:

- After initial novel coronavirus related delays, the native seed collection program in Injinoo and Mapoon began again in June. The program is focused on native seed collection by the indigenous communities that form part of the Group's Bauxite Hills Ancillary Agreement. All seed collected is used at the mine in the rehabilitation process.
- The Group sponsored the 2020 Young Indigenous Arts and Literacy program via virtual workshops into the Mapoon, Injinoo/Bamaga and Hope Vale schools. The opportunity for these virtual workshops to occur and provide art and literacy mentoring opportunities to the local schools even during pandemic conditions was largely made possible by the Group's sponsorship. Face-to-face workshops and development of works to be entered into the 2020 Young Indigenous Arts and Literacy Awards will be undertaken once travel restrictions into the communities have been lifted.
- Prior to the travel restrictions, Group personnel spent time with Community Liaison Officers (CLO) in Injinoo, Bamaga and Mapoon talking with a range of local Government and community groups and attending an indigenous women's workshop in Bamaga organised by the Group's Injinoo CLO. The indigenous women's workshop focused on Group employment opportunities for indigenous women and had over 25 women in attendance discussing issues and opportunities with working remotely. The majority of women who attended also put their names down for additional training opportunities for mining related roles.

The Group views the promotion of cultural awareness among its employees and contract partners as a priority. All employees and contract partners are now required to complete cultural awareness training prior to commencement of their work on site.

Safety Performance

The Group is committed to providing a safe working environment for its employees and contract partners and to fostering a good safety culture. All incidents are thoroughly investigated and the findings acted on to continuously improve the Group's safety systems.

3. REVIEW OF OPERATIONS (continued)

Exploration

Exploration activities on the Group's Cape York tenements focused on areas in the vicinity of the Bauxite Hills mine. As the main plateaus with deemed bauxite potential outside of the Bauxite Hills resource lie within the tenure north of the Skardon River, a Conduct and Compensation Agreement has been negotiated and concluded with the Apudthama Land Trust. This agreement will facilitate future exploration work.

Other Assets

Given the focus on bauxite, opportunities continue to be assessed to divest the Group's coal assets in a value accretive way.

Through the Group's business development initiatives, several opportunities in the bauxite industry are under review and assessment as part of the Group's long-term strategic growth plans.

Debt Facilities

The Company has two drawn project debt facilities, totalling A\$35 million which are senior-secured but second ranking behind the proposed NAIF debt facility:

- A \$7.5 million facility with Lambhill Pty Ltd which is due to be repaid in three equal instalments on 1 July 2021, 30 September 2021 and 1 January 2022.
- A total of \$27.5 million outstanding to Ingotatus AG Pty Ltd (a related party of the Company's substantial shareholder, Balanced Property). These facilities are due to be repaid in three equal instalments on 1 July 2021, 30 September 2021 and 1 January 2022.

A \$47.5 million Australian dollar loan facility has been agreed with the Northern Australia Infrastructure Facility (NAIF). Conditions precedent to the agreement remain outstanding at 30 June 2020 but are anticipated to be satisfied in the second half of the 2020 financial year.

4. MATERIAL BUSINESS RISKS

The Group is exposed to a range of economic, financial, operational and strategic related risks which are inherent when operating in a mining business. The Board and its committees understand the importance of effectively managing these risks for the success of the business, and regularly evaluate and assess such business risks. The material business risks faced by the Group that may have a material impact include the following:

Novel Coronavirus

On 11 March 2020, the World Health Organization Director-General declared the outbreak of novel coronavirus a global pandemic. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by novel coronavirus. In addition, any governmental or industry measures taken in response to novel coronavirus may adversely impact the Company's operations and are likely to be beyond the control of the Company. This macro-economic risk will continue to adversely affect demand for the Group's bauxite in 2020 and beyond, and also may impact the ability of the Group to commit to the Stage 2 expansion works within forecast timeframes.

As announced on 23 March 2020, the Group has implemented a range of strategies to mitigate the risks posed by novel coronavirus. These include policies and procedures relating to travel, personal protective equipment and work procedures. All policies and procedures are strictly enforced to minimise the risk to the Group's employees, contractors and, in particular, its indigenous workforce.

4. MATERIAL BUSINESS RISKS (continued)

The directors are monitoring the changing situation closely and have considered the impact of novel coronavirus on the Group's business and financial performance. However, due to the continually evolving situation, the consequences are inevitably uncertain. In compliance with its continuous disclosure requirements, the Company will continue to update the market regarding the impact of novel coronavirus on its operations.

Fluctuation in Commodity Prices and the Australian Dollar

The Group is not currently able to manage commodity price exposures directly as there are no bauxite derivative products available in the market. In order to manage USD exposures, which include USD revenues, ocean freight expense, and anticipated USD denominated capital commitments, the Group's risk management framework incorporates the implementation of a currency hedging program to manage the risks to sales revenue associated with a strengthening of the Australian dollar against the United States dollar.

The Group's Board approved currency hedging policy is to establish, as appropriate, a rolling program within the following parameters:

- Up to 100% of the next month's USD FOB revenue;
- Between 50-75% of months 2 and 3 forecast USD FOB revenue; and
- Up to 50% of months 4 through to 6 forecast USD FOB revenue.

There was no hedging in place as at 30 June 2020.

Mineral Resources and Ore Reserves

The Group's mineral resources and reserves are estimates and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of bauxite or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual geological conditions may differ from those predicted. No assurance can be given that any part, or all, of the Group's mineral resources constitute or will be converted into ore reserves.

Market price fluctuations of bauxite, as well as increased operating and capital costs, may render the Group's ore reserves unprofitable to develop for periods of time or may render ore reserves containing relatively lower grade material uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its mineral resource and ore reserves, which could have a negative impact on the Group's financial results.

Replacement of Depleted Reserves

The Group must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible.

There is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. The mineral base of the Group may decline if reserves are mined without adequate replacement and the Group may not be able to sustain production beyond current mine life, based on current production rates.

Mining Risks and Insurance Risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unavailability of material and equipment and weather conditions (including flooding, cyclones and bushfires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation, particularly as the Group currently produces from only one mine site.

4. MATERIAL BUSINESS RISKS (continued)

The Group has a policy to maintain insurance to cover the most common of these risks and hazards where available. The insurance is maintained in amounts that are considered appropriate depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

Production and Cost Estimates

The Group prepares estimates of future production, site costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates, or material increases in costs, could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition.

The Group's actual production and costs may vary from estimates for a variety of reasons, including; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, and unexpected labour shortages.

Current estimates of future production, site costs and capital costs of production are dependent upon the successful execution of the Stage 2 Bauxite Hills Mine expansion project.

The Group has contracts in place with third parties for the provision of marine transport and provision of mining equipment. If these key contractors do not perform to the Group's requirements, this could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation.

Sovereign Risk and Concentration of Customers

The Group currently ships all of its bauxite production to China and is therefore exposed to the sovereign risks of China. There could be changes to Chinese government policy outside of the Group's control which could materially affect the operations and profitability of the business. The Group maintains local agents who advise on any material changes to the operating environment in China.

The Group also has a concentration of revenue with one customer and is therefore exposed to the counterparty risk and credit risk of this major customer. The Group manages this risk with customer diversification through its marketing strategy, dealing with credit worthy customers and sales made through irrevocable letters of credit.

Marketing Risk

Based on currently contracted sales in 2020, the Group will move into the planned wet season shutdown in mid-September, earlier than previously anticipated. The Group has approximately 60% of planned 2021 production sold under the foundation long-term binding offtake agreement with Xinfra.

While negotiations with several refineries continue and are advancing, at the date of this report, the Group has been unable to finalise additional sales contracts outside the foundation contract for the remainder of the 2020 calendar year and beyond.

There is a risk that the uncontracted planned production may not be sold.

Environmental, Health and Safety, and Permits

The Group's mining operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species. The Group's ability to obtain permits and approvals may adversely affect the Group's mining operations, including its ability to continue operations.

4. MATERIAL BUSINESS RISKS (continued)

While the Group has implemented health, safety and community initiatives at its site to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property and, in certain instances, such occurrences could give rise to regulatory action or fines and / or civil liability.

The Group's mining operations and exploration activities are in a region which occasionally experiences severe weather events such as cyclones, floods, and higher than average wave conditions. The region also experiences an annual wet season. Production and shipment cannot occur in the wet season nor during periods of severe weather events. While the Group includes allowances in its forecasts for interruptions to production and shipment during the wet season and periods of severe weather events, there is a risk that such periods have greater impact than anticipated.

As regulatory agencies respond to climate change, costs of inputs may rise and restrictions may be placed on how certain resources are obtained, transported and used. This may adversely impact the Group's cost of production. Regulatory changes in response to climate change also have the potential to be a catalyst for growth in industries that choose to increase their use of bauxite related products.

Community Relations

The Group has an established community relations function which manages the community engagement, local employment, indigenous business opportunities, and sponsorships. The Group meets with representatives of the Bauxite Hills mine native title holders, the Ankamuthi people, and the trustee owners of the land, Old Mapoon Aboriginal Corporation, on a minimum of a quarterly basis. The Group recognises that a failure to appropriately manage local community stakeholder expectations has the potential to disrupt production and exploration activities.

The Company has prepared its first Sustainability Report which was published and released at the 2020 Annual General Meeting. The Sustainability Report provides details of the Company's sustainability targets and achievements in 2019 as well as plans for further development in 2020 and beyond.

5. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 30 June 2020.

6. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with this instrument.

This report is signed in accordance with a resolution of the Board of Directors.

Signed:



Stephen Everett
Chairman

Date: 21 August 2020

Auditor's Independence Declaration to the Directors of Metro Mining Limited

As lead auditor for the review of the half-year financial report of Metro Mining Limited for the half-year ended 30 June 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 Metro Mining Limited and the entities it controlled during the financial period.



Ernst & Young



Andrew Carrick
Partner
21 August 2020

Metro Mining Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2020

		Consolidated	
	Note	6 months 30 Jun 2020 \$'000	6 months 30 Jun 2019 \$'000
Revenue from contracts with customers	1	66,329	48,413
Cost of sales		(66,489)	(51,015)
Gross loss		(160)	(2,602)
Other income		60	126
Impairment expenses		(86)	(5)
Exploration expenses		(476)	(299)
Cost of transition to owner - operator		-	(1,921)
Administrative expenses		(3,561)	(3,220)
Operating loss		(4,223)	(7,921)
Finance costs		(2,885)	(4,138)
Finance income		54	143
Foreign exchange losses		(710)	(946)
Loss before tax from continuing operations		(7,764)	(12,862)
Income tax benefit		2,230	3,859
Loss for the period from continuing operations		(5,534)	(9,003)
Other comprehensive loss			
Items that will be reclassified to profit or loss when specific conditions are met:			
Change in fair value of cash flow hedges		-	397
Foreign currency translation differences		6	-
Loss for the period		(5,528)	(8,606)
Attributable to:			
Owners of the Company		(5,528)	(8,606)
		(5,528)	(8,606)

	Cents	Cents
Basic loss per share	(0.40)	(0.65)
Diluted loss per share	(0.40)	(0.65)

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

Metro Mining Limited
Consolidated Statement of Financial Position
As at 30 June 2020

		Consolidated	
	Note	30 Jun 2020 \$'000	31 Dec 2019 \$'000
Assets			
Current assets			
Cash and cash equivalents		28,317	32,547
Inventories		3,927	2,501
Trade and other receivables		16,076	8,481
Other assets		4,317	11,092
Total current assets		52,637	54,621
Non-current assets			
Property, plant and equipment	4	139,533	136,891
Right-of-use assets		16,611	19,130
Exploration and evaluation assets		2,371	2,247
Deferred tax asset		7,047	4,810
Total non-current assets		165,562	163,078
Total assets		218,199	217,699
Liabilities			
Current liabilities			
Trade and other payables		26,117	20,921
Lease liabilities		4,771	4,695
Borrowings	5	1,291	1,272
Provisions		1,045	1,082
Total current liabilities		33,224	27,970
Non-current liabilities			
Lease liabilities		12,038	11,929
Borrowings	5	35,675	35,937
Provisions		8,370	7,782
Total non-current liabilities		56,083	55,648
Total liabilities		89,307	83,618
Net assets		128,892	134,081
Equity			
Contributed equity	6	176,421	176,421
Reserves		10,245	9,900
Accumulated losses		(57,774)	(52,240)
Total equity		128,892	134,081

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

Metro Mining Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2020

Consolidated

	Contributed Equity \$'000	Translation Reserve \$'000	Cash Flow Hedge Reserve \$'000	Options Reserve \$'000	Employee Share Acq. Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 Jan 2019	176,106	(4)	(349)	9,590	-	(55,848)	129,495
Change in accounting policy	-	-	-	-	-	(15)	(15)
Restated total equity at 1 Jan 2019	176,106	(4)	(349)	9,590	-	(55,863)	129,480
Loss after income tax expense	-	-	-	-	-	(9,003)	(9,003)
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Fair value changes in cash flow hedges	-	-	397	-	-	-	397
Total comprehensive income for the period	-	-	397	-	-	(9,003)	(8,606)
<i>Transactions with owners in their capacity as owners</i>							
Shares issued during the period	-	-	-	-	-	-	-
Transaction costs	(2)	-	-	-	-	-	(2)
Share-based payments – employees	-	-	-	172	-	-	172
Total transactions with owners	(2)	-	-	172	-	-	170
Balance at 30 June 2019	176,104	(4)	48	9,762	-	(64,866)	121,044
Balance at 1 Jan 2020	176,421	(4)	-	9,904	-	(52,240)	134,081
Loss after income tax expense	-	-	-	-	-	(5,534)	(5,534)
Other comprehensive income, net of tax	-	6	-	-	-	-	6
Total comprehensive income for the period	-	6	-	-	-	(5,534)	(5,528)
<i>Transactions with owners in their capacity as owners</i>							
Share-based payments – employees	-	-	-	346	(7)	-	339
Total transactions with owners	-	-	-	346	(7)	-	339
Balance at 30 June 2020	176,421	2	-	10,250	(7)	(57,774)	128,892

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

Metro Mining Limited
Consolidated Statement of Cash Flows
For the half-year ended 30 June 2020

Cash flows from operating activities

Receipts from customers
Payments to suppliers and employees

Other revenue
Interest received
Net cash outflow from operating activities

Cash flows from investing activities

Payments for plant and equipment
Payments for exploration and evaluation assets
Payments for assets under construction
Return of /(payments for) financial assurance and other security bonds
Net cash inflow / (outflow) from investing activities

Cash flows from financing activities

Share issue transaction costs
Proceeds from borrowings
Repayment of borrowings
Interest paid
Principal elements of lease payments
Debt facility transaction costs
Payment for shares acquired by the Employee Share Trust
Repayment of related party loan
Net cash outflow from financing activities

Net decrease in cash and cash equivalents
Net foreign exchange difference
Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

Consolidated	
6 months 30 Jun 2020 \$'000	6 months 30 Jun 2019 \$'000
58,024	47,170
(61,473)	(50,198)
(3,449)	(3,028)
60	76
59	145
(3,330)	(2,807)
(602)	(4,553)
(369)	(405)
(1,267)	(845)
6,952	(308)
4,714	(6,111)
-	(2)
-	3,170
(455)	(211)
(2,535)	(2,830)
(1,986)	(2,688)
(553)	(27)
(50)	-
-	32
(5,579)	(2,556)
(4,195)	(11,474)
(35)	(543)
32,547	23,367
28,317	11,350

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

Metro Mining Limited
Notes to the Financial Statements
For the half-year ended 30 June 2020

1. PROFIT AND LOSS INFORMATION

The loss for the half-year includes the following items:

Revenue from contracts with customers

Revenue from sales of bauxite (i)

Expenses

Cost of transition to owner - operator

Consolidated	
6 months 30 Jun 2020 \$'000	6 months 30 Jun 2019 \$'000
66,329	48,413
-	1,921

- (i) Revenue for the six months ended 30 June 2020 was derived from the shipment of 1,250,688 Wet Metric Tonnes of bauxite (30 June 2019: 836,545 Wet Metric Tonnes) from the Group's Bauxite Hills mine on western Cape York, Queensland. The bauxite was shipped over the period 14 April 2020 to 30 June 2020. The Bauxite Hills mine was in the planned wet-season shutdown for the first quarter of the financial period.

2. DIVIDENDS

No dividends were declared or paid during the financial period.

3. SEGMENT REPORTING

Identification of reportable operating segments

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Financial information provided to the Board is currently at the consolidated level.

The Consolidated Entity is managed primarily on a geographic basis; that is the location of the respective areas of interest (tenements). Areas of interest in Australia and Myanmar are not currently identified as separate operating segments. Other than minor administrative expenditure, there has been no activity in Myanmar in the current financial period. The carrying value of non-cash assets in Myanmar at the reporting date is \$nil (31 December 2019: \$nil).

Accordingly, management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for bauxite. All significant operating decisions are based upon analysis of the Consolidated Entity as one segment. The financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole.

The Consolidated Entity's customers are all located in one geographic area, China, with 100% of the revenue from sales of bauxite derived in the period being from that area. The Consolidated Entity had one customer which accounted for 100% of its revenue from contracts with customers during the operating period.

Metro Mining Limited
Notes to the Financial Statements
For the half-year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT

Consolidated

At 31 December 2019

Cost
Accumulated depreciation
Net book amount

Half-year ended 30 June 2020

Opening net book amount
Additions
Reclassifications from right-of-use assets ⁽ⁱ⁾
Transferred from assets under construction ⁽ⁱⁱ⁾
Disposals
Depreciation / amortisation expense
Closing net book amount

At 30 June 2020

Cost
Accumulated depreciation
Net book amount

Plant and equipment \$'000	Infra- structure \$'000	Ancillary assets \$'000	Other mineral assets \$'000	Assets under construction \$'000	Total \$'000
6,050	35,784	2,344	99,184	1,948	145,310
(241)	(1,881)	(921)	(5,376)	-	(8,419)
5,809	33,903	1,423	93,808	1,948	136,891
5,809	33,903	1,423	93,808	1,948	136,891
21	273	213	557	1,267	2,331
-	2,569	-	-	-	2,569
-	-	430	-	(668)	(238)
-	-	-	-	-	-
(71)	(444)	(336)	(1,169)	-	(2,020)
5,759	36,301	1,730	93,196	2,547	139,533
6,072	38,782	2,987	99,741	2,547	150,129
(313)	(2,481)	(1,257)	(6,545)	-	(10,596)
5,759	36,301	1,730	93,196	2,547	139,533

Metro Mining Limited
Notes to the Financial Statements
For the half-year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT (continued)

- (i) During the period, the accommodation camp, sewage treatment plant and water treatment plant at the Bauxite Hills mine site were transferred from leased infrastructure to the infrastructure category of property, plant and equipment following the completion of the lease term for these assets.
- (ii) A deposit of \$238,000 for three new triple-set trailers for the Bauxite Hills mine haulage fleet had been paid prior to 31 December 2019 and classified as part of Assets Under Construction. The new trailers were acquired under lease during the period ended 30 June 2020 (refer note 5). The deposit was transferred to Right-of Use Assets as part of the value recognised for the leased assets acquired.

5. BORROWINGS

Current

Secured liabilities

Loans

Deferred borrowing costs, net of amortisation

Total current borrowings

Non-current

Secured liabilities

Loans

Deferred borrowing costs, net of amortisation

Total non-current borrowings

Consolidated	
30 Jun 2020	31 Dec 2019
\$'000	\$'000
1,356	1,320
(65)	(48)
1,291	1,272
35,707	35,985
(32)	(48)
35,675	35,937

The Group has existing debt funding arrangements in place with Inगतatus AG Pty Ltd and Lambhill Pty Ltd.

Inगतatus AG Pty Ltd (Inगतatus)

(i) Loan Facility #1

The initial debt facility with Inगतatus is for a total of A\$20 million. Under the terms of the original agreement, the facility had a term of three years from the date of the final drawdown (29 September 2017) at which time the principal was repayable in full.

On 26 October 2019, the Company reached an agreement with Inगतatus to vary the timing of principal repayments. Under the terms of the amended agreement, the principal is due to be repaid in three equal tranches of A\$6.67 million. The first tranche is payable on 1 July 2021, the second on 30 September 2021 and the final tranche on 1 January 2022. Accordingly, the principal has been classified as a non-current liability at 30 June 2020.

Under the terms of the amended agreement, the interest rate on the facility is 10% from 1 November 2019 until 31 December 2020. The interest rate will be 12% from 1 January 2021 until the final tranche of the facility is repaid on 1 January 2022.

5. BORROWINGS (continued)

Ingatatus AG Pty Ltd (continued)

Upon modification of the loan terms in October 2019, the Group recalculated the amortised cost of the financial liability by computing the present value of the estimated future contractual cash flows, discounted at the facility's original effective interest rate. The discount will be unwound over the remaining loan term with the effect of the unwinding reported as a finance cost in the consolidated statement of profit or loss.

(ii) Loan Facility #2

The Group has a \$7.5 million loan facility provided by Ingatatus. This loan was originally drawn to repay an existing loan owed to Sprott Private Resources Lending. The facility is due to be repaid in three tranches of \$2.5 million; the first on 1 July 2021, the second on 30 September 2021 and the final tranche on 1 January 2022. Accordingly, the principal has been classified as a non-current liability at 30 June 2020. The loan incurs interest at 9% for the full term of the loan.

The current component of the Ingatatus loan balance is the accrued interest on Loan Facility #1 and Loan Facility #2 at 30 June 2020. Interest on both loans is payable quarterly.

Lambhill Pty Ltd (Lambhill)

The Group has a \$7.5 million facility provided by Lambhill. This loan was originally drawn to repay an existing loan owed to Sprott Private Resources Lending. The terms of this loan facility are the same as those for the \$7.5 million facility provided by Ingatatus (Refer Ingatatus – Loan Facility #2). The current component of the Lambhill loan balance represents interest accrued on the loan at 30 June 2020. Interest is payable quarterly.

Equipment Financing Facility

The Group has an Australian dollar denominated equipment financing facility for the purpose of re-financing some existing items of plant and equipment and increasing haulage and production capacity at the mine. \$969,000 of this facility has been classified as current borrowings and \$1,099,000 as non-current borrowings at 30 June 2020.

Northern Australia Infrastructure Facility (NAIF)

On 12 November 2019, the Group announced that the board of NAIF had made an investment decision to offer a loan facility of A\$47.5 million to the Group to assist in the financing of the stage 2 expansion of production at the Bauxite Hills mine to 6.0 million WMT annually. Specifically, the funding will be used for the construction and mobilisation of a floating terminal. The floating terminal is the main component of stage 2 comprising around 85% of the total estimated capital costs of the expansion. The loan facility is for a period of up to 9 years.

The timing for the formal commitment to Stage 2, and hence draw down of the NAIF loan, remains influenced by the uncertainty over the outlook for global growth and associated volatility in aluminium and alumina prices due to the impact of novel coronavirus. Drawdown on this facility has a sunset date of 30 September 2020 and discussions are underway to extend this date. Whilst there have been recent improvements in macro conditions, general confidence in the sector remains low and, therefore, customers have not been prepared to enter into new offtake agreements. The Company is monitoring the market conditions prior to taking the decision to formally proceed with the expansion.

Deferred Borrowing Costs

At 30 June 2020, the loan balances include \$0.096 million of deferred borrowing costs, net of amortisation, which will be amortised over the remaining lives of the loans (31 December 2019: \$0.096 million).

Metro Mining Limited
Notes to the Financial Statements
For the half-year ended 30 June 2020

6. CONTRIBUTED EQUITY

Ordinary shares – fully paid

Ordinary shares

Balance at beginning of period

Shares issued during the period:

- Exercise of employee performance rights

Total contributed equity

Consolidated	
30 Jun 2020 No. of Shares '000s	30 Jun 2020 \$'000
1,390,125	176,421
1,388,897	176,421
1,228	-
1,390,125	176,421

Following a review of the performance hurdles for the 2019 Short Term Incentive Plan, a total of 1,626,480 performance rights were awarded to employees of the Company (refer note 7). On 5 March 2020, 1,228,875 new ordinary shares were issued to employees in satisfaction of employee performance rights awarded. A further 397,605 ordinary shares were acquired on-market by the Employee Share Trust to satisfy the remaining obligation.

7. SHARE OPTIONS AND PERFORMANCE RIGHTS

A summary of the movements of all options and performance rights issued is as follows:

30 Jun 2020 Grant Date	Expiry Date	Exercise Price	Balance at Start of Period No. '000	Granted No. '000	Exercised No. '000	Expired/ Forfeited/ Other No. '000	Balance at End of Period No. '000
Options							
27/08/2017	27/08/2022	\$0.183	11,100	-	-	-	11,100
25/10/2017	25/10/2021	\$0.25	3,532	-	-	-	3,532
Perf. Rights							
01/01/2019	31/12/2019	-	1,574	52	(1,626)	-	-
01/01/2019	31/12/2021	-	2,718	-	-	-	2,718
01/01/2020	31/12/2020	-	-	4,709	-	-	4,709
01/01/2020	31/12/2022	-	-	3,432	-	-	3,432
Total options & performance rights			18,924	8,193	(1,626)	-	25,491

Performance rights - 2019 short-term incentive program

At 31 December 2019, 1,573,857 performance rights issued as part of the 2019 short-term incentive plan had been awarded to senior management and employees of the Group. Subsequent to the end of the financial year, a further 52,623 performance rights were awarded to a staff member resulting in a total of 1,626,480 performance rights being awarded under the 2019 short-term incentive program. On 5 March 2020, 1,228,875 of the performance rights awarded were converted to new ordinary shares in the Company (refer Note 6). The remaining 397,605 performance rights were settled by an on-market acquisition of shares in the Company.

7. SHARE OPTIONS AND PERFORMANCE RIGHTS (continued)

Performance rights – 2020 short-term incentive program

On 1 January 2020, 4,709,322 performance rights were issued to senior management and employees of the Group under the terms of the Group's Employee Incentive Plan. The performance rights vest at the conclusion of the current financial year if several pre-determined hurdles are satisfied.

Performance rights – 2019 long-term incentives granted

On 1 January 2019, the Company granted a total of 2,717,637 performance rights, in three tranches, to senior management. Each tranche is subject to vesting conditions that will be reviewed for satisfactory performance on 31 December 2021.

Performance rights – 2020 long-term incentives granted

On 1 January 2020, the Company granted a further 3,432,285 performance rights, in three tranches, to senior management. Each tranche is subject to vesting conditions that will be reviewed for satisfactory performance on 31 December 2022.

8. SUBSEQUENT EVENTS

The following events have occurred subsequent to the balance date:

While negotiations with several refineries continue and are advancing, at the date of this report, the Group has been unable to finalise additional sales contracts for calendar year 2020 outside the foundation Xinfu contract. Accordingly, the Bauxite Hills mine will move into its planned 2020 wet season shutdown earlier than usual. This decision has been made given the ongoing impact of novel coronavirus on market conditions across the aluminium supply chain which continues to negatively impact market demand and prices.

This period of closure would likely extend from mid-September to April 2021 when deliveries into the existing contract with Xinfu would recommence. If additional sales are secured reasonably quickly the Group would have the opportunity to continue operations, or reopen the mine later in 2020, as the case may be.

The primary aluminium price and the alumina price have both returned to pre-coronavirus levels, and other macro indicators suggest that the market is normalizing. However, the confidence of consumers to enter agreements has not yet returned. With continued strong demand from China for imported bauxite, it is anticipated that 2021 will see much improved trading conditions.

Other than the matters disclosed above, no matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect the operations, results or state of affairs of the Group in the following or future years.

9. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2020 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2019 and any public announcements made by Metro Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

9. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

a) New and amended standards adopted by the Group

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

b) Going concern

The Group has net current assets of \$19,413,000 at 30 June 2020 (31 December 2019: \$26,651,000). The Group's operating cash flows have been negatively impacted in 2020 by the COVID-19 pandemic which has resulted in:

- Lower aluminium, alumina and bauxite prices and generally weak global economic conditions; and
- Significantly lower ocean freight costs from Guinea to China resulting in significant competition on bauxite pricing.

These matters have led to delays in the Group's customers committing to new bauxite sales contracts. The Group has contracted sales for the year ended 31 December 2020 of 2.3mt (compared to planned production of 4.0mt). While negotiations with customers/refineries continue and are advancing, the Group has been unable to finalise additional sales contracts for the year ended 31 December 2020. Accordingly, the Bauxite Hills mine will move into its planned 2020 wet season shutdown earlier than usual.

The period of closure will likely extend from mid-September 2020 to April 2021 when deliveries into the existing contract with Xinfu would recommence (2.3 million WMT contracted for the year ending 31 December 2021). In the event additional sales contracts are concluded in the coming weeks, the Group would have the opportunity to continue operations, or reopen the mine later in 2020, as the case may be.

As disclosed in note 5, the Group's debt funding arrangements with Ingotatus AG Pty Ltd and Lambhill Pty Ltd require repayments of principal on 1 July 2021 totalling \$11.67 million, with further principal repayments totalling \$11.67 million each on 30 September 2021 and 1 January 2022. The potential inability to finalise sales contract for the Group's remaining uncontracted production capacity also impacts the Group's forecast available cash reserves required to fund these loan principal repayments.

The above matters may give rise to significant doubt about the Company's ability to continue as a going concern. The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the directors' opinion, the going concern basis of preparation remains appropriate because:

- The early transition to the wet season shutdown will result in a substantial reduction in operating expenditure and potential cash outflows (preserving liquidity);
- The Group will continue negotiations with key contractors and suppliers to defer, reduce or, where possible, avoid certain fixed costs during an extended wet season shutdown. To date, the Group has received informal commitments of such support from certain contractors and suppliers;
- Corporate and administration costs will be reduced and monitored in line with the Group's available cash resources;
- The bauxite price outlook is improving which, if sustained, will in turn improve forecast cash flows from operations when the Bauxite Hills mine returns from the planned wet season shutdown in April 2021;
- The Group continues to have the support of its major debt financiers Ingotatus AG Pty Ltd and Lambhill Pty Ltd. Discussions will be conducted regarding a range of options for restructuring the maturity and amortisation schedule of these debt facilities; and
- The Group may seek to raise additional equity funding.

9. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

b) Going concern (continued)

The directors are confident, given the range of actions available to the Group as outlined above, the Group will be able to continue to satisfy its capital and operating commitments.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Metro Mining Limited
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 22, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
 - b) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that Metro Mining Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Stephen Everett', with a stylized flourish at the end.

Stephen Everett
Chairman

Date: 21 August 2020

Independent Auditor's Review Report to the Members of Metro Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Metro Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 June 2020 the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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.

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 30 June 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*.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 9 in the half-year financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 30 June 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 & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'A Carrick'.

Andrew Carrick
Partner
Brisbane
21 August 2020