Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Weebit Nano LTD
ACN	146 455 576
Financial Period Ended	31 DECEMBER 2016
Previous Corresponding Reporting Period	31 DECEMBER 2015

Results for Announcement to the Market

	$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	-	
Loss from ordinary activities after tax attributable to members	20,508,904	(1,225)%
Loss for the period attributable to members	20,508,904	

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	-
Interim Dividend	Nil	-
Previous corresponding period	Nil	-
Record date for determining entitlements to the dividends (if any)	Nil	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:
The company is a start up technology company with no sales and significant research and development costs.
The abovementioned loss includes $17,122,984 representing a share based payment for the cost of listing.

The half-yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	NIL
Total dividend	NIL
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	0.002	(0.0008)

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Weebit Nano LTD Israel
Date control gained	August 1st, 2016
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	(20,404,778)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not Applicable

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	-
Date control lost	-
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	-
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	-

Details of Associates and Joint Venture Entities

Name of Entity	**Percentage Held**		**Share of Net Profit**	
	Current Period	**Previous Period**	**Current Period**	**Previous Period**
	-	-	-	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not applicable			

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	Interim Financial Report for Period ended 31 December 2016

Signed By (Director/Company Secretary)	
Print Name	Yossi Keret
Date	27 February 2017

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Formerly Radar Iron Limited

ACN 146 455 576

CONTENTS

CORPORATE INFORMATION

DIRECTORS:

David Perlmutter
Non-Executive Chairman

Ramai Hadar
Non-Executive Director

Ananda Kathiravelu
Non-Executive Director

Kobi Ben Shabat
Non-Executive Director

Ashley Krongold
Non-Executive Director

Yossi Keret
Managing Director

COMPANY SECRETARIES:

Damon Sweeny
Mark Licciardo
Christopher Lobb

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
PERTH WA 6000

SOLICITORS - PERTH:

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
WEST PERTH WA 6005

BANKERS:

Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009

REGISTERED & PRINCIPAL OFFICE:

Level 7, 330 Collins Street
MELBOURNE VIC 3000
Telephone: + 61 3 8689 9997
Facsimile: + 613 9602 4709

POSTAL ADDRESS:

Level 7, 330 Collins Street
MELBOURNE VIC 3000

WEBSITE:

www.weebit-nano.com

HOME STOCK EXCHANGE:

Australian Securities Exchange Limited Level

40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX CODE:

WBT

SHARE REGISTRY:

Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report on the Group, being the Company and its subsidiaries, for the half year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and details of Directors in office at any time during the period were:

Alan Tough	Non-Executive Chairman (resigned 1 August 2016)
Ananda Kathiravelu	Non-Executive Director
Jonathan Lea	Non-Executive Director (resigned 1 August 2016)
David Sourbutts	Non-Executive Director (resigned 1 August 2016)
David Perlmutter	Non-Executive Chairman (appointed 1 August 2016)
Yossi Keret	Managing Director (appointed 1 August 2016)
Rami Hadar	Non-Executive Director (appointed 1 August 2016)
Kobi Ben Shabat	Non-Executive Director (appointed 1 August 2016)
Ashley Krongold	Non-Executive Director (appointed 30 September 2016)

Directors have been in office since the date of appointment to the date of this report unless otherwise stated.

Review of Operations

The net loss attributable to members of the Company for the half year ended 31 December 2016 amounted to $20,508,904 (2015: $1,546,551), out of which $17,122,984 representing a share based payments for the cost of listing.

During the period the Company settled the acquisition of Israel-based Weebit Nano Ltd (Israel) under the Prospectus dated 3 May 2016 (Prospectus). Following shareholder approval on 1 August 2016, the Company's strategic objective changed significantly, shifting from a mining focus to technology development. The Company's new strategy is to develop the next generation of Non-Volatile Memory made of Silicon Oxide (SiOx).

Key transaction details of purchase of 100% of Weebit:

- Changing the Company name to Weebit Nano Ltd from Radar Iron Ltd
- A change in the board of directors as detailed above
- The issue of 98,348,000 fully paid ordinary Shares (Shares) under the Public Offer
- The issue of 2,500,000 fully paid ordinary Shares under the SPP Offer (together raising $5,042,400), and by way of consideration;
- The issue of 732,695,455 fully paid ordinary Shares to the shareholders of Weebit
- The issue of 17,304,545 performance rights to persons entitled to be issued options to acquire Weebit Shares
- The issue of 50,000,000 transaction options to advisers of the Company
- The Company was reinstated to the ASX on 3 August 2016 having complied with Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules.

The company signed a collaboration agreement in the beginning of September 2016 with CEA-Leti (Leti), a leading French microelectronics research institute, on the development and prototyping of advanced ReRAM based on switching SiOx materials. This was a critical development for the Company as it allows a team of highly-skilled scientists based in a world-class facility to further develop the technology.

DIRECTORS' REPORT

The first phase of development started in mid-September 2016, which was the development and engineering of the SiOx nano porous silicon layer which was reported by Leti to be reproducible. This result allowed the SiOx ReRAM memory technology to be transferred from Rice University facilities in Houston, Texas USA, to the Leti pre-industrialisation facilities in Grenoble, France. Development has continued at Leti since this time, and the Company expects to be in a position to provide an update regarding the development progress in March 2017.

On 5 December 2016, the Company announced the issue of 7,500,000 Shares following the exercise of options expiring 30 Sept 2017 at $0.01. In the period the group disposed of its remaining tenements for $100,000.

Subsequent Events

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of this report that were not finalized at the date of this report. Further information as to likely developments in the operations of the group would, in the opinion of the directors, be likely to result in unreasonable prejudice to the group.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the half year ended 31 December 2016 has been received and can be found on page 4.

Auditor

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporation Act 2001.

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

David Perlmutter
Director
Israel
27 February 2017

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Weebit Nano Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2016 there have been:

(i) no contraventions of the auditors independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

Perth, 27 February 2017

Nexia Perth
Audit Services Pty Ltd
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w nexia.com.au

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2016

	Note	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Revenue & Other Income		100,000	
Cost of tenements sold		(104,740)	
Net loss of disposal of tenements		(4,740)	
Research and Development tax offset			152,005
Research and Development expenses		(619,706)	
Sales and Marketing expenses		(91,562)	
General and Administrative expenses		(2,749,655)	(1,691,680)
Listing expenses	2	(17,122,984)	
Loss from operations		(20,588,647)	(1,539,675)
Financial income (expenses)		79,743	(21,876)
Other Income			15,000
Tax expenses			
Net loss for the period		(20,508,904)	(1,546,551)
Other comprehensive loss			
Foreign currency translation differences for foreign operations		(51,884)	
Total comprehensive loss for the period		**(20,560,788)**	**(1,546,551)**
Total comprehensive loss for the period attributable to owners of the parent		(20,560,788)	(1,546,551)
Basic and diluted loss per share - cents per share		(0.02)	(0.79)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2016

	Note	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
ASSETS			
Current assets			
Cash and cash equivalents		2,781,084	3,598,569
Other Receivables		93,441	46,956
Total current assets		**2,874,525**	**3,645,525**
Non-current assets			
Exploration and evaluation expenditure			100,000
Long term deposit		8,922	
Plant and equipment		42,658	-
Total non-current assets		**51,580**	**100,000**
TOTAL ASSETS		**2,926,105**	**3,745,525**
LIABILITIES			
Current liabilities			
Trade and other payables		462,038	4,037,398
Total current liabilities		**462,038**	**4,037,398**
TOTAL LIABILITIES		**462,038**	**4,037,398**
NET ASSETS		**2,464,067**	**(291,873)**
EQUITY			
Issued capital		23,795,057	15,604,203
Reserves		1,743,427	1,323,290
Accumulated losses		(23,074,417)	(17,219,366)
TOTAL EQUITY		**2,464,067**	**(291,873)**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2016

2016 CONSOLIDATED	Note	Issued Capital $	Foreign currency translation differences for foreign operations $	Option Reserve $	Accumulated Losses $	Total Equity $
Total equity at 1 July 2016		15,604,203		1,323,290	(17,219,366)	(291,873)
Net loss for the period					(20,508,904)	(20,508,904)
Other comprehensive loss			(51,884)			(51,884)
Total comprehensive loss for the period						**(20,560,788)**
Transactions with equity holders:						
Reverse Acquisition:						
Reversal of pre-acquisition net assets of Radar Iron Limited	2	(15,604,203)		(1,323,290)	17,323,838	396,345
Effective consideration	2	16,726,638				16,726,638
Retained earnings and share capital of Weebit Nano Israel		2,591,302	(61,118)		(2,669,985)	(139,801)
Shares issued during the year: Contributions of capital (net of capital raising costs)	3	4,477,117				4,477,117
Share-based payments	6			1,856,429		1,856,429
Total equity at 31 December 2016		**23,795,057**	**(113,002)**	**1,856,429**	**(23,074,417)**	**2,464,067**
Total equity at 1 July 2015		14,213,409		77,094	(12,914,425)	1,376,078
Total comprehensive loss for the period		-		-	(1,546,551)	(1,546,551)
Transactions with equity holders:						
Shares issued during the year:	3	1,328,794		-	-	1,328,794
Contributions of capital (net of capital raising costs)						
Share-based payments	6	62,000		1,244,773	-	1,306,773
Total equity at 31 December 2015		**15,604,203**		**1,321,867**	**(14,460,976)**	**2,465,094**

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

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2016

	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Cash flows from operating activities		
Interest received		2,169
Payments to suppliers and employees	(1,979,600)	(618,921)
Net cash used in operating activities	(1,979,600)	(616,752)
Cash flows from investing activities		
Proceed on sales of exploration rights	100,000	
Payments for fixed assets	(6,152)	
Increase in deposits and restricted cash	(2,925)	
Payments for exploration expenditure		(31,466)
Proceeds on option fee for sale of tenements		15,000
Net cash provided by (used in) investing activities	90,923	(16,466)
Cash flows from financing activities		
Proceeds from the issue of shares	1,425,400	550,062
Proceeds from conversion of options	75,000	165,311
Capital raising costs	(640,283)	(39,954)
Net cash provided by financing activities	860,117	675,419
Cash acquired as part of the reverse acquisition	211,075	
Net increase/ (decrease) in cash and cash equivalents	(1,028,560)	42,201
Cash and cash equivalents at the beginning of the period	3,598,569	239,678
Cash and cash equivalents at the end of the period	**2,781,084**	**281,879**

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

Notes to the Financial Statements

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Weebit Nano Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2016 comprises the Company and its subsidiary – Weebit Nano Ltd (Israel) (here after "Weebit Israel"); together referred to as the ("Group").

Statement of Compliance

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Weebit Nano Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 27 February 2017

Reverse Acquisition

On 1 August 2016 Radar Iron limited (now Weebit Nano Limited), the legal parent entity acquired 100% of the issued shares of Weebit Nano Ltd (Israel), an Israel registered entity. Weebit was founded in Israel in 2014 to develop a memory and semiconductor technology invented by Professor James Tour of Rice University in Houston, Texas, (a world renowned leader in the field of materials engineering and nanotechnology) that has the potential to develop semiconductor memory elements that are to become cheaper, faster, more reliable and more energy efficient than the existing flash technology. Weebit expects to commercialize this technology, Resistive Random Access Memory ("ReRAM") is an emerging technology that combines the advantages of both RAM and Flash.

Under the terms of the transaction Radar Iron issued 732,695,455 shares to the shareholders of Weebit Nano Ltd (Israel), resulting in Weebit Nano Ltd (Israel) acquiring 68% of the legal parent entity's issued capital. Notwithstanding that the transaction took the format of a reverse acquisition as described in AASB 3 Business Combinations, the transaction was not deemed a business combination on the basis that Radar Iron did not meet the definition of a business as noted in that standard AASB 3 Business Combinations.

The Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Weebit Nano Ltd (Israel), (the non-listed operating entity) being identified as the accounting acquirer and Radar Iron Limited (now Weebit Nano Limited) (the listed non-operating entity) being identified as the accounting acquiree. As the transaction is not within the scope of AASB 3, the transaction was treated as a share-based payment transaction accounted for in accordance with AASB 2 Share-based payment.

The Group consequently recognised a share-based payment of $17,122,984 in its statement of comprehensive income, representing the cost of the listing. The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Weebit Nano Israel (the non-listed entity) and the fair value of the accounting acquiree's identifiable net liabilities. Refer to note 2 for further disclosure.

The impact of the reverse acquisition on the primary statements is as follows:

Notes to the Financial Statements

Statement of Financial Position:

The 31 December 2016 statement of financial position represents the consolidated position of Weebit Nano Limited (formerly Radar Iron Limited) and Weebit Nano Ltd (Israel).

Statement of Profit or Loss and Other Comprehensive Income

The 31 December 2016 statement of profit or loss and other comprehensive income comprises the results of Weebit Nano Limited (formerly Radar Iron Limited) from 1 July 2016 to 31 July 2016 and then the consolidated results of Weebit Nano Limited (formerly Radar Iron Limited) and Weebit Nano Ltd (Israel) from 1 August 2016 to 31 December 2016.

Statement of Changes in Equity

The 31 December 2016 statement of changes in equity comprises Weebit Nano Limited (formerly Radar Iron Limited) equity balances on 1 July 2016, its loss for the period and transactions with equity holders to 31 July 2016.

It then incorporates the consolidated equity balances, losses and transactions with equity holders for the period 1 August 2016 to 31 December 2016 of Weebit Nano Limited (formerly Radar Iron Limited) and Weebit Nano Ltd (Israel).

Statement of Cash Flows

The 31 December 2016 statement of cash flows comprises the cash transactions of Weebit Nano Limited (formerly Radar Iron Limited) from 1 July 2016 to 31 July 2016 and then the consolidated cash transactions of Weebit Nano Limited (formerly Radar Iron Limited) and Weebit Nano Ltd (Israel) from 1 August 2016 to 31 December 2016.

Basis of Preparation

The interim report has been prepared on an historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the period has been treated as a discrete reporting period.

Financial Position

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the period of $20,508,904, out of which $17,122,984 representing a share based payments for the cost of listing, and a cash outflow from operating activities of $1,979,600. The Group had a net working capital surplus of $2,412,487 at 31 December 2016.

The loss, excluding the listing cost, reflects the research and development activities of the group. Based on the cash flow forecast the group will need to raise further funds to support its planned research and development activities. Company's management is in discussions with potential investors, and the directors also carefully manage discretionary expenditure in line with the Group's cash flow. The directors are confident that the Group will be able to continue its operations as a going concern.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance.

Notes to the Financial Statements

Significant Accounting Judgements and Key Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

Notes to the Financial Statements

NOTE 2 REVERSE ACQUISITION

Under the analogy of *AASB 3 Business Combinations,* the transaction between Weebit Nano Limited (formerly Radar Iron Limited) and Weebit Nano Ltd (Israel) is being treated as a reverse acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Weebit Nano Ltd (Israel) in the form of equity instruments issued to the shareholders of the legal parent entity Weebit Nano Limited (formerly Radar Iron Limited).

In accordance with AASB 3 the consideration transferred by the accounting acquirer for its interest in the accounting acquiree is based on the number of the equity instruments the legal subsidiary would have to issue to the owners of the legal parent to give the same percentage equity interest in the combined entity that results from the reverse acquisition

AASB 3 states that the consideration transferred in a business combination shall be measured at the fair value. AASB3 states that the fair value transferred should be based on the most reliable measure. The fair value of the shares of consideration transferred were valued by reference to the ASX listed quoted price of the shares of Weebit Nano Limited (formerly Radar Iron Limited).

Although Radar Iron Limited did not meet the definition of a business, the Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Weebit Nano Ltd (Israel), legal acquiree being identified as the accounting acquirer and Radar Iron Limited (the legal acquirer) being identified as the accounting acquiree. The Group consequently recognised a share-based payment of $17,122,984 in its statement of comprehensive income, effectively representing the cost of the listing.

The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Weebit Nano Ltd (Israel) (the non-listed entity) and the fair value of the accounting acquiree's (Radar Iron Limited) identifiable net liabilities.

Assets acquired and liabilities assumed on the date of acquisition:

Details of the acquisition are as follows:

	Fair Value $
Cash and cash equivalents	5,036,930
Trade and other receivables	118,953
Share application funds	(5,042,400)
Trade and other payables	(509,829)
Fair value of net liabilities on date of acquisition	**(396,346)**
Share-based payment for listing services	**17,122,984**
Acquisition date fair value of the total consideration transferred	**16,726,638**

Notes to the Financial Statements

NOTE 3 – ISSUED CAPITAL

CONSOLIDATED AND PARENT ENTITY	December 2016 #	December 2016 $	June 2016 #	June 2016 $
(a) Issued and Paid Up Capital				
Fully paid ordinary shares	1,175,576,215	23,795,057	334,532,760	15,604,203
(b) Movements in fully paid shares on issue				
Balance at the start of the period	334,532,760	15,604,203	132,248,630	14,213,409
Reverse acquisition transactions				
Less: pre-acquisition share capital of Radar Iron Limited		(15,604,203)		
Add: effective consideration transferred (Note 2)	732,695,455	16,726,638		
Weebit Nano Israel Share Capital on 1 August 2016		2,591,302		
Post reverse acquisition share capital		**19,317,940**		
Shares issued in the period post acquisition:				
Shares issued to directors			6,200,000	62,000
Ordinary Shares issued to settle convertible notes			141,021,976	818,686
Capital Raising *	100,848,000	5,042,400*	33,062,154	330,062
Options Converted to shares	7,500,000	75,000	22,000,000	220,000
Capital Raisings Costs		(640,283)		(39,954)
Balance at end of period	**1,175,576,215**	**23,795,057**	**334,532,760**	**15,604,203**

*$5,042,000 was raised in share capital in the current period. Of this amount $3,617,000 was received at 30 June 2016 representing funds in trust. The entire balance was transferred to share capital on completion of the capital raising on 1 August 2016. Hence the gross cash received for the period to 31 December 2016 from the capital raise was $1,425,400.

Notes to the Financial Statements

NOTE 4 – RELATED PARTY TRANSACTIONS

During the period of 6 months ended December 31, 2016, $746,810 were paid to related parties of the group. In addition, 23,000,000 options (out of total of 50,000,000 options, see note 6 below), were granted to a corporate advisor who is a related party of the Company.

NOTE 5 – SEGMENT REPORTING

Description of segments

As at 31 December 2016 the Group only had one operating segment namely memory and semiconductor technology development. As at 30 June 2016 the Group only had one operating segment namely Iron Ore Exploration in Australia.

Notes to the Financial Statements

NOTE 6 – SHARE BASED PAYMENTS

Share-based payment transactions
The Company has completed the following share-based payment transactions:

	Options 31 December 2016 $	Shares 31 December 2015 $	Options 31 December 2015 $
50,000,000 options issued to consultants who act as the Company's corporate advisor (a)	1,249,630	-	-
17,304,545 performance rights issued to consultants of the Company (b)	606,799		
8,000,000 Unlisted Options issued to directors consideration for employment services		-	174,413
32,500,000 shares issued to related party who acts as the Company's corporate advisor		-	1,070,360
6,200,000 shares issued to directors in lieu of accrued fees		62,000	-
	1,856,429	**62,000**	**1,244,773**

(a) The 50,000,000 Options issued to the corporate advisors of the Company were valued at $0.02499 per option using the Black & Scholes option model based on the following inputs:

Underlying share price	$0.05 per share
Option exercise price	$0.0625 per share
Effective date	1 August 2016
Option expiry date	1 August 2019
Share price volatility	86%
Risk free interest rate	1.5%

The 50,000,000 vested on grant date and therefore fully expensed for the half year ended 31 December 2016.

(b) The 17,304,545 performance rights issued to the consultants of the Company were valued at $0.05 per performance right as follows:

Underlying share price	$0.05 per share
Option exercise price	Nil
Effective date	1 August 2016
Option expiry date	1 August 2021

Vesting Conditions: 4 years from grant date. However for one of the consultant's the Board has waived the 4 year vesting condition and therefore in accordance with AASB 2 Share Based Payments for the fair value of that consultant's rights have been expensed immediately.

Notes to the Financial Statements

NOTE 7 – SUBSEQUENT EVENTS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of this report that were not finalized at the date of this report. Further information as to likely developments in the operations of the group would, in the opinion of the directors, be likely to result in unreasonable prejudice to the group.

Director's Declaration

In the opinion of the directors of Weebit Nano Limited ("the Company"):

1. The condensed financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year period then ended.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the board

David Perlmutter
Director
Israel
27 February 2017

Independent Auditor's Review Report to the members of Weebit Nano Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Weebit Nano Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Weebit Nano Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Weebit Nano Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the period ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001.*

Emphasis of Matter

Without modifying our review conclusion we draw attention to the disclosure in Note 1 to the interim financial report, which indicates that the Group will require further funding in the next twelve months from the date of this report to continue its planned research and development activities. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director
Perth 27 February 2017

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