



**PIONEER RESOURCES LIMITED**

**ABN 44 103 423 981**

**and its controlled entities**

**Interim Financial Report  
for the  
Half-Year ended 31 December 2018**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Pioneer Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# **PIONEER RESOURCES LIMITED**

**ABN 44 103 423 981**

**and its controlled entities**

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Craig I McGown  
*Independent Non-Executive Chairman*

David J Crook  
*Managing Director*

Allan Trench  
*Independent Non-Executive Director*

Thomas W Spilsbury  
*Independent Non-Executive Director*

### **COMPANY SECRETARY**

Timothy G Spencer

### **PRINCIPAL REGISTERED OFFICE**

Ground Floor  
72 Kings Park Road  
West Perth  
Western Australia, 6005  
Telephone: (08) 9322 6974  
Email: [pioneer@PIOresources.com.au](mailto:pioneer@PIOresources.com.au)  
Internet: [www.PIOresources.com.au](http://www.PIOresources.com.au)

### **AUDITOR**

Deloitte Touche Tohmatsu  
Brookfield Place, Tower 2  
123 St Georges Terrace  
Perth  
Western Australia, 6000

### **SHARE REGISTRY**

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross  
Western Australia, 6153  
Telephone: (08) 9315 0933  
Facsimile: (08) 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### **STOCK EXCHANGE LISTING**

The Company's shares are quoted on the Australian Securities Exchange. The Home Exchange is Perth.

### **ASX CODE**

PIO - ordinary shares

# PIONEER RESOURCES LIMITED

ABN 44 103 423 981

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**PIONEER RESOURCES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

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Your Directors present their report on the Group (referred to hereafter as the Group) consisting of Pioneer Resources Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the half-year 31 December 2018.

**DIRECTORS**

The following persons held office as Directors of Pioneer Resources Limited during the half-year and until the date of this report:

***Craig Ian McGown*** – *B Comm, FCA, ASIA*  
**Independent Non-Executive Chairman**

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 40 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown brings to the Board a comprehensive knowledge of equity and debt markets and financing of resource projects.

***David J Crook*** – *B.Sc, MAusIMM, MAIG, GAICD*  
**Managing Director**

Mr Crook was appointed the inaugural Managing Director of the Company on 11 August 2003. Mr Crook is a geologist with over 35 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated lithium, gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles including the Company's IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade working in operational gold mines and now the Sinclair caesium mine. Prior to being employed by the Company his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production at the Gidgee Gold Mine, and exploration manager at Heron Resources Limited.

***Allan Trench*** – *B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, FAusIMM, FAICD, FAIM*  
**Independent Non-Executive Director**

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including iron ore, nickel, copper, gold, lithium, oil & gas and also across a number of the minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has worked with global consultants McKinsey and Company, onsite at KCGM Pty Ltd ('Kalgoorlie Super-Pit'), at Woodside Petroleum Limited and with independent mining & metals analysis global consultancy CRU Group. He is a Professor of Practice at the Business School, University of Western Australia and also Research Professor (Risk & Value) at the Centre for Exploration Targeting, School of Earth Sciences, University of Western Australia.

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**DIRECTORS' REPORT**

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**Thomas Wayne Spilsbury** – *B.Sc (Hons), M.Sc (Applied Geology), MAIG, GAICD*  
**Independent Non-Executive Director**

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M.Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 40 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia. Mr Spilsbury also has significant experience in the exploration for and development of lithium projects.

The Directors named above each held office as at 31 December 2018.

**COMPANY SECRETARY**

**Timothy Spencer** – *B.Econ, CPA*

Mr Spencer was appointed Company Secretary on 21 November 2017 also holds the position of Chief Financial Officer (appointed 17 October 2017). Mr Spencer received an Economics degree (accounting major) from Monash University, Victoria and is a qualified accountant, holding full membership with CPA Australia. He has over 25 years' experience in mining and precious metals markets, working in various accounting, treasury and finance roles with four mining companies, including roles as Chief Financial Officer, Company Secretary and Executive Director.

**REVIEW OF OPERATIONS**

The Group recorded an operating loss after income tax for the half-year ended 31 December 2018 of \$1,154,247 compared to the 31 December 2017 operating loss after income tax of \$1,513,618. The result for the half-year ended 31 December 2018 included exploration write-offs totalling \$198,286 (31 December 2017: \$326,631).

During the half-year the Group commenced mining operations at Sinclair Mine in September 2018 with the Stage 1 open pit completed on 22 January 2019. The Group incurred mining and crushing costs (including amortisation of mine development and a rehabilitation provision) of \$9,332,655 and transferred these costs to inventory to recognise the value of 11,359 tonnes of saleable stockpiled pollucite ore as at 31 December 2018.

During the half-year the Group incurred a total of \$372,644 (31 December 2017: \$1,613,900) on exploration and evaluation expenditure. The Group's exploration and evaluation efforts were focussed during the reporting period on:

- The Pioneer Dome Project in Western Australia, including the caesium bearing Sinclair Zone.
- The Golden Ridge Project in Western Australia.
- The Bogadi Project located in Western Australia.
- Joint venture partners, Northern Star Resources Ltd and Novo Resources Corp, were active in the Acra and Kangan joint ventures, respectively.

Key outcomes included:

- The first shipment of pollucite ore left Western Australia to Canada in late January 2019 and monthly shipments are expected to continue until the end of December 2019.
- By 30 June 2019, the Group expects to ship over U\$8 million worth of pollucite and have U\$4.8 million of sales applied to the interest free loan from Cabot Specialty Fluids Ltd ("Cabot SF"), thereby fully repaying that loan.

### **Ordinary Shares Issued**

- On 3 July 2018, the Company issued 2,173,913 shares to International Lithium Corp at an issue price of \$0.023 per share in accordance with the Mavis Lake Heads of Agreement entered into between the Parties dated 21 June 2016. On the same day, the Company issued 869,565 shares to Ngadju Native Title Aboriginal Corporation at an issue price of \$0.023 per share in accordance with the Mining Agreement entered into between the Parties dated 28 October 2017.
- On 2 August 2018, the Company issued 66,666 shares upon exercise of options at a price of \$0.06 per share.
- On 31 August 2018, the Company issued 2,500,000 shares to International Lithium Corp at an issue price of \$0.021 per share to satisfy earning 51% of the Mavis Lake Lithium Project, triggering commencement of the joint venture phase.
- On 1 October 2018, the Company issued 50,000,000 shares to Novo Resources Corp at an issue price of \$0.02 per share in accordance with a binding agreement entered into between the parties on or about 18 September 2018 (refer to the ASX release date 18 September 2018).

On 3 December 2018, the Company issued three tranches of unlisted Incentive Option Plan options and performance rights to directors, details as follows:

- 12,000,000 unlisted options with exercise price \$0.025 each and expiry date 31/05/2020 (no vesting conditions);
- 12,000,000 unlisted options with exercise price \$0.035 each and expiry date 30/11/2021 (no vesting conditions);
- 12,000,000 unlisted options with exercise price \$0.045 each and expiry date 30/11/2022 (no vesting conditions);
- 4,000,000 performance rights measured over the period of 1 July 2018 to 30 June 2019 with various vesting conditions.

The Company's cash position at the end of the half-year was \$4,681,755.

### **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2018.

This report is made and signed in accordance with a resolution of Directors.

Dated at Perth this 22 February 2019.



**DJ Crook**  
Managing Director

The Board of Directors  
Pioneer Resources Limited  
21 Ord Street  
West Perth WA 6005

22 February 2019

Dear Board Members

### Pioneer Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pioneer Resources Limited.

As lead audit partner for the review of the financial statements of Pioneer Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



**John Sibenaler**  
Partner  
Chartered Accountants

## Independent Auditor's Review Report to the members of Pioneer Resources Limited

We have reviewed the accompanying half-year financial report of Pioneer Resources Limited, which comprises the condensed statement of financial position as at 31 December 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the 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, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pioneer Resources Limited, 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.



## *Auditor's Independence Declaration*

In conducting our review, 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 Pioneer Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

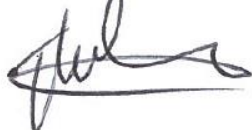
## *Conclusion*

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

- (a) giving a true and fair view of the company financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



**John Sibenaler**

Partner

Chartered Accountants

Perth, 22 February 2019

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**DIRECTORS' DECLARATION**

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

In the opinion of the Directors:

1. The financial statements and notes of the Group, as set out on pages 8 to 25:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2018 and the performance for the half-year ended on that date of the Group.
2. In the Director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 22 February 2019.



**DJ Crook**  
Managing Director

**PIONEER RESOURCES LIMITED**  
and its controlled entities  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
For the half-year ended 31 December 2018

	Note	31-Dec 2018 \$	31-Dec 2017 \$
Revenue from sale of goods		-	-
Mining and processing costs (including amortisation)		<b>(9,332,655)</b>	-
Transfer to inventory		<b>9,332,655</b>	-
Depreciation		<b>(22,422)</b>	(8,987)
<b>Gross profit/(loss)</b>		<b>(22,422)</b>	(8,987)
Exploration and evaluation expenditure written off	5	<b>(198,286)</b>	(326,631)
Corporate and other expenses	1	<b>(1,370,534)</b>	(1,191,248)
Other income	1	<b>630,194</b>	-
<b>Results from operating activities</b>		<b>(961,048)</b>	(1,526,866)
Financial income		<b>35,334</b>	13,515
Financial expense	7	<b>(228,533)</b>	(267)
<b>Net financing expense</b>		<b>(193,199)</b>	13,248
<b>Results from operating and financing activities</b>		<b>(1,154,247)</b>	(1,513,618)
<b>Loss before income tax</b>		<b>(1,154,247)</b>	(1,513,618)
Income tax benefit/(expense)		-	-
<b>Net loss for the year</b>		<b>(1,154,247)</b>	(1,513,618)
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of Investments	4	<b>(258,509)</b>	138,531
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation		<b>20,144</b>	19,918
<b>Total comprehensive loss for the period</b>		<b>(1,392,612)</b>	(1,355,169)
Basic and diluted loss per share attributable to ordinary equity holders	9	<b>(0.0008)</b>	(0.0027)

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2018

	Note	31-Dec 2018 \$	30-Jun 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,681,755	2,771,507
Inventory	2	9,332,655	-
Other receivables	4	381,135	403,913
Other current assets		70,799	51,300
Mine properties	3	1,659,062	-
<b>TOTAL CURRENT ASSETS</b>		<b>16,125,406</b>	<b>3,226,720</b>
<b>NON-CURRENT ASSETS</b>			
Investments	4	320,356	154,171
Plant, equipment and motor vehicles		90,259	78,216
Capitalised mineral exploration	5	9,632,294	12,254,146
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,042,909</b>	<b>12,486,533</b>
<b>TOTAL ASSETS</b>		<b>26,168,315</b>	<b>15,713,254</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,922,731	1,101,574
Provisions	6	1,819,628	104,405
Borrowings	7	6,800,793	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,543,152</b>	<b>1,205,979</b>
<b>TOTAL LIABILITIES</b>		<b>11,543,152</b>	<b>1,205,979</b>
<b>NET ASSETS</b>		<b>14,625,163</b>	<b>14,507,275</b>
<b>EQUITY</b>			
Contributed equity	8	41,125,671	39,999,171
Share option reserve		437,441	794,282
Fair value and other comprehensive income reserve		(199,872)	58,637
Foreign Currency Translation reserve		52,994	32,850
<b>Accumulated losses</b>		<b>(26,791,071)</b>	<b>(26,377,665)</b>
<b>TOTAL EQUITY</b>		<b>14,625,163</b>	<b>14,507,275</b>

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
**and its controlled entities**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the half-year ended 31 December 2018**

	Contributed Equity \$	Share Option Reserve \$	Fair Value Other Comprehensive Income Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>BALANCE AT 1 JULY 2017</b>	34,332,598	1,247,262	54,726	-	(23,365,489)	12,269,097
Loss for the period	-	-	-	-	(1,513,618)	(1,513,618)
<b>Other comprehensive loss:</b>						
Changes in fair value of Investments	-	-	138,531	-	-	138,531
Exchange differences on translation of foreign operations	-	-	-	19,918	-	19,918
<b>TOTAL COMPREHENSIVE LOSS</b>	-	-	138,531	19,918	(1,513,618)	(1,355,169)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued for cash during the period (net of transaction costs)	5,538,632	-	-	-	-	5,538,632
Shares issued not for cash during the period (net of transaction costs)	93,275	-	-	-	-	93,275
Employee share options issued to employees	-	104,966	-	-	-	104,966
<b>BALANCE AT 31 December 2017</b>	39,964,505	1,352,228	193,257	19,918	(24,879,107)	16,650,801
<b>BALANCE AT 1 JULY 2018</b>	39,999,171	794,282	58,637	32,850	(26,377,665)	14,507,275
Loss for the period	-	-	-	-	(1,154,247)	(1,154,247)
<b>Other comprehensive loss</b>						
Changes in fair value of Investments	-	-	(258,509)	-	-	(258,509)
Exchange differences on translation of foreign operations	-	-	-	20,144	-	20,144
<b>TOTAL COMPREHENSIVE LOSS</b>	-	-	(258,509)	20,144	(1,154,247)	(1,392,612)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued for cash during the period (net of transaction costs)	1,000,000	-	-	-	-	1,000,000
Shares issued not for cash during the period (net of transaction costs)	122,500	-	-	-	-	122,500
Options exercised	4,000	-	-	-	-	4,000
Director share options issued during the half-year	-	384,000	-	-	-	384,000
Transfer of lapsed options to accumulated losses	-	(740,841)	-	-	740,841	-
<b>BALANCE AT 31 DECEMBER 2018</b>	41,125,671	437,441	(199,872)	52,994	(26,791,071)	14,625,163

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entities

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the half-year ended 31 December 2018**

	31-Dec 2018	31-Dec 2017
Note	\$	\$
<b>Cash flows from operating activities</b>		
Interest received	81,398	11,935
Sundry income received	-	1,580
R&D and EIS incentives received	178,452	86,250
Payments to suppliers and employees for corporate and mining activities	(5,220,739)	(1,147,766)
<b>Net cash flows used in operating activities</b>	<b>(4,960,889)</b>	<b>(1,048,001)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(871,036)	(1,289,170)
Signing fee from Novo Resources Corp. for Kangan JV	200,000	-
Payments for plant and equipment	(34,465)	(1,360)
<b>Net cash flows used in investing activities</b>	<b>(705,501)</b>	<b>(1,290,530)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	1,000,000	5,673,091
Payment for transaction costs relating to the issue of shares	-	(134,459)
Proceeds from exercise of options	4,000	-
Proceeds from borrowings	6,572,641	-
<b>Net cash flows provided by financing activities</b>	<b>7,576,641</b>	<b>5,538,632</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>1,910,251</b>	<b>3,200,101</b>
Effects of exchange rate changes on cash and cash equivalents	(3)	-
Cash and cash equivalents at the beginning of the half-year	2,771,507	2,240,670
<b>Cash and cash equivalents at the end of the half-year</b>	<b>4,681,755</b>	<b>5,440,772</b>

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2018**

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**BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

These general purpose half-year financial statements for the half-year ended 31 December 2018 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: *Interim Financial Reports* and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting". The Board considers the Group has sufficient cash resources to meet all operating costs for at least the next 12 months from the date of this report.

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Pioneer Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. 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.

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

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

**1. Statement of Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018 with the exception of the following additional accounting policies required for the half year ended 31 December 2018 and the Standards and Interpretations described in section 2 below:

**(a) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. The Group has only included pollucite ore as inventory as at the balance date.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

**(b) Impairment**

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”).

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. The Group’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(c) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### *Provision for site restoration and rehabilitation*

In accordance with the Group’s environmental policy and applicable legal requirements, a provision for site restoration and rehabilitation in respect of disturbed land is recognised when the land is disturbed.

The provision is the best estimate of the present value of the expenditure required to settle the restoration and rehabilitation obligation at the reporting date, based on current legal requirements and technology. Future restoration and rehabilitation costs are reviewed at least annually and any changes are reflected in the present value of the restoration and rehabilitation provision at the end of the reporting period. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

## **2. New and amended standards adopted by the entity**

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make adjustments as a result of adopting the following standards:

- AASB 9 Financial Instruments

The impact of the adoption of these standards and the new accounting policies are disclosed in note 4.

## **3. Impact of standards issued but not yet applied by the entity**

Apart from AASB 9 mentioned above, there were no new standards issued since 30 June 2018 that have been applied by the Company. The 30 June 2018 annual report disclosed that the Company anticipated no material



impacts (amounts recognised and/or disclosed) arising from the initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2018.

#### 4. Changes in accounting policy

This note explains the changes in the entity's accounting policies as a result of the adoption of AASB 9 Financial instruments, however the prior year financial statements did not have to be restated as a result.

##### (a) AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and liabilities, recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. The new accounting policies are set out below.

##### *Impact of adoption*

##### (i) Classification and measurement of financial assets

On the date of initial application, 1 July 2018, the financial instruments of the Group were as follows, with any reclassification noted.

	Measurement category		Carrying amount		
	Original (AASB 139)	New (AASB 9)	Original \$	New \$	Difference \$
<b><i>Current financial assets</i></b>					
Trade and other receivables	Amortised cost	Amortised cost	403,913	403,913	-
<b><i>Non-Current financial assets</i></b>					
Equity securities	Other financial assets	Investments	154,171	154,171	-

The impact of these changes on the Group's equity is as follows:

	Fair Value Reserve \$	Fair Value Other Comprehensive Income Reserve (FVOCI) \$	Effect on retained earnings \$
<b>Opening balance 30 June 2018 – AASB 139</b>	58,637	-	-
Reclassify listed available-for-sale financial assets to FVOCI	(58,637)	58,637	-
<b>Opening balance 1 July 2018 – AASB 9</b>	-	<b>58,637</b>	-

##### **Equity investments previously classified as available-for-sale**

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of \$154,171 were reclassified from available-for-sale financial assets, recognised under 'Other Financial Assets' to 'Investments' and fair value losses of \$58,637 was reclassified from the 'Fair Value Reserve' to the 'Fair Value Other Comprehensive Income Reserve' on 1 July 2018.

##### (ii) Impairment of financial assets

Prior to the adoption of AASB 9, in accordance with AASB 139, the Group applied an incurred credit loss model. Upon adoption of AASB 9, the Group has elected to apply the simplified approach to measuring expected credit losses, which uses the lifetime expected loss allowance for all trade and other receivables.

Due to the nature of the Group's trade and other receivables, the impact of the expected loss allowance under AASB 9 against the loss incurred under AASB 139 was not material to the Group.

**(b) Revised accounting policies**

**Investments – Equity Instruments**

Investments and other financial assets Investments are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss);
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value other comprehensive income (FVOCI).

**(i) Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(ii) Impairment**

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

**5. Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its controlled entities as at 31 December 2018 ('the Group').

## 6. Estimates

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

In preparing this consolidated interim financial 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 as at and for the year ended 30 June 2018 with the exception of the following additional critical accounting estimates and judgements required for the half year ended 31 December 2018:

### *Mine rehabilitation and site restoration process*

The Group assesses its mine rehabilitation and site restoration provision at each balance date in accordance with accounting policy note 1(c) stated above. Significant judgement is required in determining the provision for mine rehabilitation and site restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

### *Units of production method of amortisation*

The Group amortises mine properties in production on a units of production basis over economically recoverable Resources. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available Resources under this method. Factors that must be considered in determining Resources are the complexity of metallurgy, product prices, cost structures and future developments. When these factors change or become known in the future, such differences will impact the amortisation expense and the carrying value of mine property assets.

### *Determination of ore reserves and mineral resource*

The Group estimates its ore reserves and mineral resources based on information compiled by competent persons in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves December 2012 (the JORC code). Resources determined in this way are used in the calculation of amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of restoration costs. When a change in estimated recoverable ore tonnes contained in proved and probable ore reserves, and where applicable, resources, is made, amortisation and depreciation is accounted for prospectively.

### *Impairment of mine development assets*

In accordance with the Group's accounting policy set out in note 1(b) non-current assets are assessed for impairment when there is an indication that their carrying amount may not be recoverable. The recoverable amount of each Cash Generating Unit (CGU) is determined as the higher of value-in-use and fair value less costs of disposal estimated on the basis of the discounted present value of the future cash flows (a level 3 fair value estimation method). The estimates of discounted future cash flows for each CGU are based on significant assumptions including:

- estimates of the quantities of Mineral Reserves and Ore Resources for which there is a high degree of confidence of economic extraction and the timing of access to these Reserves and Ore Resources;
- future production levels;
- future product prices based on market forecasts;
- future exchange rates for the Australian dollar compared to the US dollar using external forecasts by recognised economic forecasters;
- successful operation of Sinclair Mine, consistent with latest forecasts;
- future cash costs of production, sustaining capital expenditure, rehabilitation and mine closure; and
- future cost of capital and debt for the Group's projects.

Given the nature of the Group's mining activities, future changes in assumptions upon which these estimates are based may give rise to material adjustments in future periods. This could lead to a reversal of part, or all, of the impairment charges recorded in the current or prior years, or the recognition of new impairment charges in the future.

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**1. OTHER INCOME, CORPORATE AND OTHER EXPENSES**

	<b>31-Dec 2018</b>	<b>31-Dec 2017</b>
	\$	\$
<b>Other income</b>		
Consideration for farmout of Kangan Project	624,694	-
Profit on disposal of asset	5,500	-
	<b>630,194</b>	-
<b>Corporate and other expenses</b>		
Employee expenses	(444,853)	(674,052)
Non-executive director fees	(97,211)	(92,500)
Share based payments expense	(384,000)	(104,966)
Other expenses	(444,470)	(319,730)
	<b>(1,370,534)</b>	(1,191,248)

**2. INVENTORY**

	<b>31-Dec 2018</b>	<b>30-Jun 2018</b>
	\$	\$
<b>Current</b>		
Pollucite ore stockpiles	9,332,655	-
	<b>9,332,655</b>	-

Inventories of the Group are pledged as part of a security with its offtake partner Cabot Specialty Fluids Ltd ("Cabot SF"). The offtake agreement also includes that all risk and title passes to Cabot once ore leaves the Sinclair Mine site and payment for the goods has been made.

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**3. MINE PROPERTIES**

	<b>31-Dec</b>	<b>30-Jun</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	-	-
<u>Rehabilitation asset</u>		
Additions	<b>1,700,840</b>	-
Amortisation	<b>(1,073,362)</b>	-
Impairment	-	-
 <u>Mine development</u>		
Transfers from capitalised mineral exploration	<b>2,796,210</b>	-
Amortisation	<b>(1,764,626)</b>	-
Impairment	-	-
 Balance at the end of the year	<b>1,659,062</b>	-

**4. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT AMORTISED COST**

*(i) Classification of financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

*(ii) Equity investments at fair value through other comprehensive income*

Equity investments at FVOCI comprise the following individual investments:

	<b>31-Dec</b>	<b>30-Jun</b>
	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Non current</b>		
 <b>Investments – Equity instruments</b>		
Canadian listed entities (1)	<b>318,707</b>	149,822
ASX listed entities	<b>1,650</b>	4,350
	<b>320,357</b>	154,172

(1) During the half year ended 31 December 2018, the Group entered into a joint venture with Novo Resources Corp. ("Novo", TSXV: NVO.V) into the 100% owned Kangan Project located within the Pilbara of Western

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Australia. The consideration for farming out the project to Novo was a signing fee of \$200,000 cash and 100,000 fully paid common shares at A\$4.246 per share in Novo valuing the original investment at \$424,694. As at 31 December 2018, the share price for Novo was A\$2.5774 per share valuing the investment at \$257,743.

The remaining Canadian available for sale financial assets were related to shares and options issued from International Lithium Corp. (TSXV:ILC). For the half year ended, the Group held 1,250,000 shares at A\$0.0416

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. In the prior financial year, the Group had designated equity investments as available-for-sale where management intended to hold them for the medium to long-term.

As mentioned in the Basis of Preparation of Half-year financial statements under point 2, this explains the change of accounting policy and the reclassification of certain equity investments from available-for-sale to at fair value through other comprehensive income.

*(iii) Amounts recognised in profit or loss and other comprehensive income*

During the half-year, the following gains/(losses) were recognised in profit or loss and other comprehensive income.

	<b>31-Dec 2018</b>	<b>30-Jun 2018</b>
	\$	\$
Gains/(losses) recognised in other comprehensive income	<b>(258,509)</b>	138,531

*(iv) Fair values of other financial assets at amortised cost*

Financial assets at amortised cost include the following:

	<b>31-Dec 2018</b>	<b>30-Jun 2018</b>
	\$	\$
<b>Current – Other receivables</b>		
Trade and other receivables	<b>381,135</b>	403,913
	<b>381,135</b>	<b>403,913</b>

Due to the short term nature of the trade and other receivables and prepayments, their carrying amount is considered to be the same as their fair value.

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**5. CAPITALISED MINERAL EXPLORATION**

	<b>31 Dec 2018 Half Year</b>	30 Jun 2018 Year
<b>Non-current</b>		
<i>In the exploration and evaluation phase</i>		
Opening balance at 1 July	12,254,146	10,088,731
Expenditure for the period	372,644	3,706,491
Transfer to mine properties	(2,796,210)	-
Exploration expenditure written off	(198,286)	(1,541,076)
	<b>9,632,294</b>	<b>12,254,146</b>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

During the half year ended 31 December 2018, the Group transferred \$2,796,210 to mine properties which related to costs for the development of the Sinclair Mine.

Exploration write-downs for half-year ended 31 December 2018 totalled \$198,286 (31 December 2017: \$326,631). These related to the Raleigh joint venture project, from which the Group withdrew, and the Phillips River Lithium and Ravensthorpe projects, where specific tenements underlying areas of interest were surrendered.

**6. PROVISIONS**

	<b>31-Dec 2018 \$</b>	<b>30-Jun 2018 \$</b>
<b>Current</b>		
Employee entitlements	118,788	104,405
Rehabilitation provision	1,700,840	-
	<b>1,819,628</b>	<b>104,405</b>

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**7. BORROWINGS**

	<b>31-Dec</b>	<b>30-Jun</b>
	<b>2018</b>	<b>2018</b>
	\$	\$
<b>Current</b>		
Loan advance from Cabot Corporation (U\$4,800,000 at AUD/USD \$0.7058)	<b>6,800,793</b>	-
	<b>6,800,793</b>	-

On 20 June 2018, the Group entered into a binding offtake agreement with Cabot Specialty Fluids Ltd (“Cabot SF”) to buy 100% of the caesium ore extracted from the Sinclair Mine. The loan advance from Cabot SF was an interest free loan of U\$4.8 million (converted to \$A 6,572,641) and was used to fund the development of the Sinclair Mine. The loan will be offset by the delivery of DSO pollucite from the Sinclair Mine or by cash settlement subject to certain conditions. The Group has agreed to provide Cabot SF with security, limited to caesium rights, over the Sinclair Mine as collateral for the loan.

The loan balance of \$6,800,793 also includes the foreign currency revaluation of \$228,156 (ie. U\$4,800,000 at an AUD/USD rate of \$0.7058) that has been recognised in the statement of profit or loss and other comprehensive income.

**8. CONTRIBUTED EQUITY**

	<b>31 Dec</b>	<b>30 Jun</b>
	<b>2018</b>	<b>2018</b>
	<b>No. on issue</b>	<b>No. on issue</b>
<b>(a) Issued Capital</b>		
Ordinary shares	<b>1,504,112,153</b>	1,448,502,009
	\$	\$
Ordinary shares	<b>41,125,671</b>	39,999,171

During the half-year ended 31 December 2018 the following ordinary shares were issued:

- On 3 July 2018, the Company issued 2,173,913 shares to International Lithium Corp at an issue price of \$0.023 per share in accordance with the Mavis Lake Heads of Agreement entered into between the Parties dated 21 June 2016. On the same day, the Company issued 869,565 shares to Ngadju Native Title Aboriginal Corporation at an issue price of \$0.023 per share in accordance with the Mining Agreement entered into between the Parties dated 28 October 2017.
- On 2 August 2018, the Company issued 66,666 shares upon exercise of options at a price of \$0.06 per share.
- On 31 August 2018, the Company issued 2,500,000 shares to International Lithium Corp at an issue price of \$0.021 per share to satisfy earning 51% of the Mavis Lake Lithium Project, triggering commencement of the joint venture phase.



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- On 1 October 2018, the Company issued 50,000,000 shares to Novo Resources Corp at an issue price of \$0.02 per share in accordance with a binding agreement entered into between the parties on or about 18 September 2018 (refer to the ASX release date 18 September 2018).

**(b) Options**

The following unlisted options are outstanding in respect of ordinary shares as at 31 December 2018:

Number of Options		Exercise Price	Expiry
2,233,333		2.6 cents each	20-Oct-2020
2,233,333		5.0 cents each	20-Oct-2020
2,233,333		7.5 cents each	20-Oct-2020
12,000,000		2.5 cents each	31-May-2020
12,000,000		3.5 cents each	30-Nov-2021
12,000,000		4.5 cents each	30-Nov-2022
<b>45,970,399</b>			

The following unlisted performance rights are outstanding in respect of ordinary shares as at 31 December 2018:

Number of performance rights		Exercise Price	Expiry
4,000,000		1.8 cents each	30-06-2019

The performance rights are in the form of zero priced options which automatically vest provided the relevant performance conditions, and any other vesting conditions to which the performance rights are subject, are satisfied. The performance rights will be measured over the performance period being 1 July 2018 to 30 June 2019. No amount is payable on the vesting of the performance rights. If the board of directors determines the vesting conditions are satisfied, performance rights will be automatically exercised. The fair value of these performance rights was \$72,000 for the half year ended 31 December 2018.

On 3 December 2018, the Company issued three tranches of unlisted options to directors, details as follows:

Number of Options		Exercise Price	Expiry
12,000,000		\$0.025	30/05/2020
12,000,000		\$0.035	30/11/2021
12,000,000		\$0.045	30/11/2022

The fair value of the above 36,000,000 equity-settled share options was estimated as at the date of grant using a Black & Scholes option model taking into account the terms and conditions upon which the options were granted as follows:

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Underlying security share price	\$	0.018	0.018	0.018
Vesting		Upon Granting	Upon Granting	Upon Granting
Exercise price	\$	0.025	0.035	0.045
Grant date		16/10/2018	16/10/2018	16/10/2018
Expiry date		31/05/2020	30/11/2021	30/11/2022
Days to expiry	Days	593	1,141	1,506
Number of options issued	Qty	12,000,000	12,000,000	12,000,000
Volatility	%	101.86%	101.86%	101.86%
Risk-free interest rate	%	2.09%	2.09%	2.09%
Valuation per option	\$	0.007	0.009	0.010
<b>Value per option class</b>	<b>\$</b>	<b>84,000</b>	<b>108,000</b>	<b>120,000</b>

During the half year ended 31 December 2018 the following unlisted and listed options expired:

- 3,270,400 unlisted options with an exercise price of 5.4 cents per option expired on 4 September 2018.
- 6,000,000 unlisted options with an exercise price of 6 cents per option expired on 31 July 2018.
- 44,339,669 listed options (ASX:PIOO) with an exercise price of 6 cents per option expired on 31 July 2018.

**9. LOSS PER SHARE**

The following reflects the loss and share data used in the calculations of basic and diluted loss per share:

	<b>31 Dec 2017 \$</b>	30 Jun 2018 \$
Loss used in calculating basic and diluted loss per share	<b>(1,154,247)</b>	(3,527,689)
Weighted average number of ordinary shares used in calculating basic loss per share	<b>1,504,112,153</b>	1,326,043,142
Basic loss per share	<b>(0.0008)</b>	(0.0027)
<i>Effect of dilutive securities</i>		
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	<b>1,504,112,153</b>	1,326,043,142
Diluted loss per share	<b>(0.0008)</b>	(0.0027)

\* The options, whilst convertible to ordinary shares, are not dilutive as they would decrease the loss per share.

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**10. RELATED PARTIES**

During the half year ended 31 December 2018, options were issued to the following Directors and Key Management Personnel:

	Grant Date	Number of Performance rights	Number of Options	Share Based Payments  \$
<b>Management</b>				
David Crook	3/12/2018	4,000,000	16,000,000	210,667
Craig McGown	3/12/2018	-	9,166,666	79,444
Dr Allan Trench	3/12/2018	-	5,416,667	46,944
Thomas Wayne Spilsbury	3/12/2018	-	5,416,667	46,944
		<b>4,000,000</b>	<b>36,000,000</b>	<b>384,000</b>

Other than the Key Management Personnel stated above, there were no new related party transactions for the half year ended 31 December 2018.

**11. DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2018.

**12. EVENTS SUBSEQUENT TO BALANCE DATE**

Since 31 December 2018, no event has arisen that would be likely to materially affect the operations of the Group, the results of the Group or the state of affairs of the Group not otherwise disclosed in the Group's financial statements, other than inventories accumulated during the reporting period and in January 2019, when mining ceased, will be sold over the next 12 months (approximately), repaying the Cabot SF loan of US\$4.8 million and realising cash income for the Group.

**13. CONTINGENT ASSETS AND LIABILITIES**

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

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**14. SEGMENT INFORMATION**

The Group operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Group is domiciled and operates in two segments being Australia and Canada and these are treated as discrete segments. Detailed information on the segments is as follows:

**Half-year ended 31 December 2018**

	<b>Australia</b>	<b>Canada</b>	<b>Total</b>
	\$	\$	\$
Revenue	-	-	-
Operating loss before tax	<b>(1,152,056)</b>	(2,191)	(1,154,247)
Income tax	-	-	-
Net loss after tax	<b>(1,152,056)</b>	(2,191)	(1,154,247)
Segment assets	<b>24,836,908</b>	1,331,408	26,168,316
Segment liabilities	<b>12,990,182</b>	(1,447,029)	11,543,152