



CONDAMINE
RESOURCES

ACN 619 211 826

Interim Financial Report

30 June 2020

Corporate directory

Current Directors

Dave Filov	<i>Non-executive Chairman</i>
Brian Rodan	<i>Managing Director</i>
Paul Angus	<i>Technical Director</i>
Keith Murray	<i>Non-executive Director</i>

Company Secretary

Sebastian Andre

Registered Office

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Auditors

Nexia Perth Audit Services Pty Ltd

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Share Registry

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Solicitors to the Company

Steinepreis Paganin

Level 4, The Read Buildings, 16 Milligan Street

Perth WA 6000

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Directors' report

Your directors present their report on Condamine Resources Limited (**Condamine Resources** or **the Company**) and its controlled entities (collectively **the Group**) for the half-year ended 30 June 2020.

Condamine Resources has been incorporated with the intention of listing on the Australian Securities Exchange (**ASX**).

1. Directors

The names of Directors in office at any time during or since the end of the period are:

■ Brian Rodan	Managing Director (appointed 12 June 2019)
■ Dave Filov	Non-executive Chairman (appointed 12 June 2019)
■ Don Harper	Non-executive Director (resigned 18 June 2020)
■ Paul Angus	Technical Director (appointed 18 May 2018)
■ Keith Murray	Non-executive Director (appointed 24 March 2020)

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

2. Operating and financial review

The Company was incorporated as an unlisted public company limited by shares on 19 May 2017, for the purpose of acquiring, exploring and developing gold projects in New Zealand. During the financial period to 30 June 2020, amongst other things, the Company achieved the following:

- Successfully completed mapping and soil geochemistry work in the Golden Point area contained within the Reefton South tenement.
- Continued to make good progress and defined a number of high priority drill targets for high grade gold at both Alexander River and Big River.
- Successfully raised approximately \$750,000 (a further \$1,250,000 was raised subsequent to the reporting date).

2.1. Financial Review

a. Operating results

For the half-year ended 30 June 2020 the Group delivered a loss before tax of \$100,614 (30 June 2019: \$149,274 loss).

b. Financial position

The net assets of the Group have increased from 31 December 2019 by \$510,876 to \$836,023 at 30 June 2020 (31 December 2019: \$325,147).

As at 30 June 2020, the Group's cash and cash equivalents increased from 31 December 2019 by \$185,071 to \$342,924 (31 December 2019: \$157,853) and had working capital surplus of \$244,092 (31 December 2019: \$1,903 working capital deficit).

2.2. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the interim financial statements at Note 11 Events subsequent to reporting date.

2.3. Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 30 June 2020 has been received and can be found on page 2 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the *Corporations Act 2001* (Cth).



BRIAN RODAN

Managing Director

Dated this Tuesday, 18 August 2020

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

To the directors of Condamine Resources Limited.

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2020, there have been no contraventions of:

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



Nexia Perth Audit Services Pty Ltd



Muranda Janse van Nieuwenhuizen

Director

Perth

18 August 2020

Interim Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 30 June 2020

Note	6 months to 30 June 2020 \$	6 months to 30 June 2019 \$
<i>Continuing operations</i>		
Revenue	48	156
	48	156
Compliance costs	(644)	(4,675)
Exploration written off	(10,112)	-
Information technology costs	(7,806)	-
Insurance	(4,343)	(5,596)
Legal expenses	(6,014)	(57,574)
Professional fees	(67,109)	(67,667)
Public relations, marketing and advertising	-	(1,337)
Travel and accommodation	-	(3,459)
Other expenses	(4,634)	(9,122)
Profit / (loss) before tax	(100,614)	(149,274)
Income tax benefit / (expense)	-	-
Net profit / (loss) for the period	(100,614)	(149,274)
<i>Other comprehensive income, net of income tax</i>		
■ Items that will not be reclassified subsequently to profit or loss	-	-
■ Items that may be reclassified subsequently to profit or loss	-	-
□ Foreign currency movement	(22,026)	12,934
Other comprehensive income for the period, net of tax	(22,026)	12,934
Total comprehensive income attributable to members of the parent entity	(122,640)	136,340

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Interim Consolidated statement of financial position

as at 30 June 2020

	Note	30 June 2020 \$	31 December 2019 \$
<i>Current assets</i>			
Cash and cash equivalents	3	342,924	157,853
Trade and other receivables	4	26,154	479
Total current assets		369,078	158,332
<i>Non-current assets</i>			
Other financial assets	5	112,118	-
Exploration and Evaluation Costs	6	479,813	327,050
Total non-current assets		591,931	327,050
Total assets		961,009	485,382
<i>Current liabilities</i>			
Trade and other payables	7	123,101	158,298
Borrowings		1,885	1,937
Total current liabilities		124,986	160,235
Total liabilities		124,986	160,235
Net assets		836,023	325,147
<i>Equity</i>			
Issued capital	8	2,078,217	1,444,701
Reserve		182,835	204,861
Accumulated losses		(1,425,029)	(1,324,415)
Total equity		836,023	325,147

The statement of financial position is to be read in conjunction with the accompanying notes.

Interim Consolidated statement of changes in equity

for the half-year ended 30 June 2020

	Note	Issued	Share-based	Foreign	Accumulated	Total
		Capital	Payment Reserve	Currency Translation Reserve	Losses	
		\$	\$	\$	\$	\$
<i>Balance at 1 January 2019 (restated)</i>		873,584	202,816	(5,548)	(1,075,891)	(5,039)
Loss for the year		-	-	-	(149,274)	(149,274)
Other comprehensive income for the year		-	-	12,934	-	12,934
Total comprehensive income for the year		-	-	12,934	(149,274)	(136,340)
<i>Transaction with owners, directly in equity</i>						
Share application funds received		250,000	-	-	-	250,000
Transaction costs		(16,940)	-	-	-	(16,940)
Balance at 30 June 2019		1,106,644	202,816	7,386	(1,225,165)	91,681
<i>Balance at 1 January 2020</i>		1,444,701	202,816	2,045	(1,324,415)	325,147
Loss for the period		-	-	-	(100,614)	(100,614)
Other comprehensive income for the period		-	-	(22,026)	-	(22,026)
Total comprehensive income for the period		-	-	(22,026)	(100,614)	(122,640)
<i>Transactions with owners, directly in equity</i>						
Share application funds received	8	633,516	-	-	-	633,516
Transaction costs		-	-	-	-	-
Balance at 30 June 2020		2,078,217	202,816	(19,981)	(1,425,029)	836,023

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Interim Consolidated statement of cash flows

for the half-year ended 30 June 2020

	Note	6 months to 30 June 2020 \$	6 months to 30 June 2019 \$
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(165,675)	(151,055)
Interest received		48	156
Net cash used in operating activities		(165,627)	(150,899)
<i>Cash flows from investing activities</i>			
Deposits on bonds		(112,118)	-
Payments for Exploration Expenditure		(170,700)	(116,822)
Net cash used in investing activities		(282,818)	(116,822)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares, net of overpayments refunded		633,516	233,060
Net cash provided by financing activities		633,516	233,060
Net increase/(decrease) in cash held		185,071	(34,661)
Cash and cash equivalents at the beginning of the period		157,853	46,518
Change in foreign currency held		-	-
Cash and cash equivalents at the end of the period	3	342,924	11,857

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the interim consolidated financial statements

for the half-year ended 30 June 2020

Note 1 Statement of significant accounting policies

These are the interim consolidated financial statements and notes of Condamine Resources Limited (**Condamine Resources or the Company**) and controlled entities (collectively **the Group**). Condamine Resources is a company limited by shares, domiciled and incorporated in Australia. The Company was incorporated on 19 May 2017 with a 31 December year end as resolved by the Directors.

The financial statements were authorised for issue on 18 August 2020 by the Directors of the Company.

a. Basis of preparation

i. Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim report does not include notes of the type normally included in an annual financial report.

ii. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of \$100,614 (2019: \$149,274) and a net operating cash out-flow of \$165,627 (2019: \$150,899).

Subsequent to year end, the Company completed a seed capital raising of \$1,250,000. These funds will be utilised by the Company to complete an Initial Public Offer on the Australian Securities Exchange. Based on the factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

iii. Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 1f.

b. Accounting Policies

The accounting policies are consistent with the 31 December 2019 financial report except for the adoption of new and revised accounting standards by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half year ended 30 June 2020. The new and revised standards and amendments thereof do not have any material impact on the disclosures or amounts recognised in the Company's condensed financial statements

Notes to the interim consolidated financial statements

for the half-year ended 30 June 2020

Note 1 Statement of significant accounting policies

c. Principles of Consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the interim consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim consolidated financial statements.

iii. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The interim consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

d. Exploration and evaluation expenditure

Costs incurred with respect to the acquisition of rights to explore for each identifiable area of interest are capitalised on the statement of financial position. Capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Capitalised costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the capitalised costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

e. Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

f. Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the activities and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

g. Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated interim financial statements for the year ended 31 December 2019. All applicable new standards and interpretations issued since 1 January 2020 have been adopted. There was no significant impact on the Group.

Notes to the interim financial statements

for the half-year ended 30 June 2020

Note 2 Company details**The registered office of the Company is:**Address: Suite 1, 295 Rokeby Road
Subiaco WA 6008

Telephone: +61 (0)8 6555 2950

Facsimile: +61 (0)8 6166 0261

Note 3 Cash and cash equivalents**Current**

Cash at bank

30 June 2020 \$	31 December 2019 \$
342,924	157,853
342,924	157,853

Note 4 Trade and other receivables**Current**

GST receivable

Other

30 June 2020 \$	31 December 2019 \$
16,811	-
9,343	479
26,154	479

Note 5 Other Financial Assets**Non-Current**

Bonds

30 June 2020 \$	31 December 2019 \$
112,118	-
112,118	-

Note 6 Exploration Expenditure

Opening balance for the period

Capitalised Exploration expenditure during the period

Movement in FX

Closing balance for the period

30 June 2020 \$	31 December 2019 \$
327,050	188,942
161,120	136,368
(8,357)	1,740
479,813	327,050

Note 7 Trade and other payables**a. Current**

Trade payables

Accruals

GST Payable

30 June 2020 \$	31 December 2019 \$
118,101	109,330
5,000	15,829
-	33,139
123,101	158,298

Notes to the interim financial statements

for the half-year ended 30 June 2020

Note 8 Issued capital

	30 June 2020 No.	30 June 2019 No.	30 June 2020 \$	30 June 2019 \$
Fully paid ordinary shares at no par value	28,413,094	18,598,181	2,078,217	1,106,644
	6 months to 30 June 2020 No.	6 months to 30 June 2019 No.	6 months to 30 June 2020 \$	6 months to 30 June 2019 \$
a. Ordinary shares				
At the beginning of the period	22,077,938	16,514,848	1,444,701	873,584
Shares issued during the year:				
■ 10.01.2019 Issue of Seed Capital	-	1,562,500	-	187,500
■ 11.01.2019 Issue of Seed Capital	-	520,833	-	62,500
■ 31.01.2020 Share Buy-back	(1,164,844)	-	(116,484)	-
■ 01.04.2020 Issue of Seed Capital	1,250,000	-	125,000	-
■ 04.05.2020 Issue of Seed Capital	1,250,000	-	125,000	-
■ 21.05.2020 Issue of Seed Capital	2,250,000	-	225,000	-
■ 22.05.2020 Issue of Seed Capital	250,000	-	25,000	-
■ 23.05.2020 Issue of Seed Capital	1,000,000	-	100,000	-
■ 04.06.2020 Issue of Seed Capital	1,000,000	-	100,000	-
■ 30.06.2020 Issue of Seed Capital	500,000	-	50,000	-
Transaction costs relating to share issues	-	-	-	(16,940)
At reporting date	28,413,094	18,598,181	2,078,217	1,106,644
	6 months to 30 June 2020 No.	6 months to 30 June 2019 No.	6 months to 30 June 2020 \$	6 months to 30 June 2019 \$
b. Options				
Options	10,720,833	10,720,833	202,816	202,816
At the beginning of the period	10,720,833	8,116,667	202,816	202,816
Options issued/(lapsed) during the year:				
■ \$0.25 options, expiry: 15.01.2022	-	2,604,166	-	-
At reporting date	10,720,833	10,720,833	202,816	202,816

Note 9 Contingent liabilities

The Company will be required to pay a fee of \$37,500 to a former director, which is contingent on the Company listing on the ASX.

The Company has no other contingent liabilities as at 30 June 2020 other than the above.

Note 10 Commitments

The Company is required to meet minimum work program requirements to maintain current rights of tenure to the exploration licences. The Company estimates its commitment for this purpose is \$400,000 in the next 12 months from 30 June 2020.

There were no other material commitments as at 30 June 2020 other than the above.

Notes to the interim financial statements

for the half-year ended 30 June 2020

Note 11 Events subsequent to reporting date

Subsequent to the reporting date, the Company raised approximately \$1,250,000 and issued 12,500,000 shares at \$0.10 per share, through a seed capital raise.

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2020 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other events subsequent to reporting date other than the above.

Note 12 Related Parties

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

ARC, a business controlled by Mr Paul Angus, provides resource consulting services. The accounts include an expense of \$67,097 for the period.

Redland Plains Pty Ltd, a company controlled by Mr Brian Rodan, underwrote the right issue undertaken in late 2019. The underwriting fee of \$9,919 was paid in March 2020.

Note 13 Operating segments

a. Identification of reportable segments

The Group operates in the mining exploration industry. This comprises exploration and evaluation of gold. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments, being Australia and New Zealand.

b. Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

ii. Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

iii. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

iv. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

v. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Current and deferred tax assets and liabilities
- Other financial liabilities

Notes to the interim financial statements

for the half-year ended 30 June 2020

Note 13 Operating segments (cont.)

For the half-year to 30 June 2020	Australia \$	New Zealand \$	Total \$
Segment revenue and other income	48	-	48
Segment Results	48	-	48
Amounts not included in segment results but reviewed by Board:			
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>			
■ Compliance costs	(644)	-	(644)
■ Exploration and evaluation expenditure	-	(10,112)	(10,112)
■ Information Technology costs	(7,806)	-	(7,806)
■ Insurance	(4,343)	-	(4,343)
■ Legal and professional fees	(63,052)	(10,071)	(73,123)
■ Travel and accommodation	-	-	-
■ Other expenses	(3,929)	(705)	(4,634)
Loss after Income Tax			(100,614)
As at 30 June 2020			
Segment Assets	985,372	533,387	1,518,759
<i>Reconciliation of segment assets to group assets:</i>			
■ Intra-segment eliminations			(557,750)
Total Assets			961,009
Segment Liabilities	66,506	616,230	682,736
<i>Reconciliation of segment liabilities to group liabilities:</i>			
■ Intra-segment eliminations			(557,750)
Total Liabilities			124,986

Notes to the interim financial statements

for the half-year ended 30 June 2020

Note 13 Operating segments (cont.)

For the half-year to 30 June 2019	Australian \$	New Zealand \$	Total \$
Segment revenue and other income	156	-	156
Segment Results	156	-	156
Amounts not included in segment results but reviewed by Board:			
<i>Expenses not directly allocable to identifiable segments or areas of interest</i>			
■ Business development and marketing	(1,337)	-	(1,337)
■ Compliance costs	(4,675)	-	(4,675)
■ Exploration and evaluation expenditure	-	-	-
■ Insurance	(5,596)	-	(5,596)
■ Legal and professional fees	(116,692)	(8,549)	(125,241)
■ Travel and accommodation	(3,459)	-	(3,459)
■ Other expenses	(8,925)	(197)	(9,122)
Loss after Income Tax			(149,274)
As at 31 December 2019			
Segment Assets	485,976	309,673	795,649
<i>Reconciliation of segment assets to group assets:</i>			
■ Intra-segment eliminations			(310,267)
Total Assets			485,382
Segment Liabilities	121,553	348,949	470,502
<i>Reconciliation of segment liabilities to group liabilities:</i>			
■ Intra-segment eliminations			(310,267)
Total Liabilities			160,235

Directors' declaration

The Directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 3 to 13, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the half-year to that date of the Group.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the directors by:



BRIAN RODAN

Managing Director

Dated this Tuesday, 18 August 2020

Independent Auditor's Review Report

To the Members of Condamine Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of Condamine Resources Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated condensed statement of financial position as at 30 June 2020, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty in Relation to Going Concern

Without modifying our review conclusion we draw attention to the disclosure in Note 1 to the interim financial report, which indicates that the ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions, along with other matters as set forth in Note 1(a)(ii), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Independence

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the 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 internal control as the directors determine is necessary to enable the preparation of the interim 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 interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim 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 30 June 2020 and its performance for the interim ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a 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.



Nexia Perth Audit Services Pty Ltd



Muranda Janse van Nieuwenhuizen
Director

Perth

18 August 2020



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