



RED 5 LIMITED

ABN 73 068 647 610

AND CONTROLLED ENTITIES

**CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
INCORPORATING APPENDIX 4D**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

APPENDIX 4D

Reporting Period

The reporting period is the half-year ended 31 December 2021. The previous corresponding period is 31 December 2020.

All amounts are in Australian Dollars, unless otherwise stated.

Results for announcement to the market

	% change			31 December 2021
				A\$000
Revenue from ordinary activities	Down	20%	to	80,072
Loss from ordinary activities after tax	Not applicable			(5,840)
Net loss after tax attributable to members	Not applicable			(5,759)

No dividend was paid or proposed during the half-year ended 31 December 2021 (half-year ended 31 December 2020: Nil).

The Group achieved a loss from operations for the period of \$18.720 million (31 December 2020: \$6.852 million profit) and a net loss for the period of \$5.840 million (31 December 2020: net profit of \$1.775 million). Sales generated comprised 31,761 ounces of gold, contributing to gross sales of \$80.072 million. Cost of sales of \$98.792 million comprised production costs, royalties, movement in stockpiles and depreciation charge. General and administrative expenses, financial expenses, income tax and other expenses reduced the loss from operations to a net loss after tax of \$25.889 million for the half-year ended 31 December 2021. This was offset by a profit on discontinued operation of \$20.049 million.

Net tangible assets

The net tangible assets per ordinary share for the half-year ended 31 December 2021 was \$0.09 (30 June 2021: \$0.10).

Investments in controlled entities

During the period, the Group disposed of its interests in a Philippine affiliated company, Greenstone Resources Corporation. There were no further changes in control over Group entities.

Investments in associates and joint ventures

Red 5 Limited does not have any interests in associates or joint venture entities as at 31 December 2021.

Half Year Review and accounting standards

The report is based on the condensed interim consolidated financial report that has been subject to a review by the Company's auditors. All entities incorporated into the consolidated Group's results were prepared under Australian Accounting Standards (AASBs) which comply with the International Financial Reporting Standards (IFRS).

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Kevin Dundo (Chairman)
Mark Williams (Managing Director)
Ian Macpherson (Non-Executive Director)
Colin Loosemore (Non-Executive Director)
Steve Tombs (Non-Executive Director)
Andrea Sutton (Non-Executive Director)

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE

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SHARE REGISTRY

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Perth WA 6000

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International: +61 2 9698 5414
Email: hello@automicgroup.com.au
Web-site: www.automicgroup.com.au

BANKERS

Hongkong and Shanghai Banking Corporation
Limited
Macquarie Bank Limited
BNP Paribas

AUDITORS

KPMG

SOLICITORS

HopgoodGanim
SyCip Salazar Hernandez & Gatmaitan (Philippines)

STOCK EXCHANGE LISTING

Shares in Red 5 Limited are quoted on the
Australian Securities Exchange.

Trading code: RED

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DIRECTORS' REPORT

The Directors of Red 5 Limited ("Red 5" or "parent entity") present their report on the results and state of affairs of Red 5 and its subsidiaries ("the Group" or the "consolidated entity") for the half year ended 31 December 2021.

DIRECTORS

The names of the Directors of Red 5 in office during the course of the financial period and at the date of this report are as follows:

Kevin Anthony Dundo
Mark James Williams
Ian Keith Macpherson
John Colin Loosemore
Steven Lloyd Tombs
Andrea Jane Sutton

Unless otherwise indicated, all Directors held their position as a Director throughout the entire financial period and up to the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of Red 5 during the financial period were gold mining and mineral exploration.

RESULTS OF OPERATIONS

A net loss of the consolidated entity after income tax for the half-year ended 31 December 2021 was \$5.840 million (31 December 2020: \$1.775 million).

OPERATING REVIEW

During the half-year under review, Red 5 continued delivering steady-state gold production from its Eastern Goldfields gold operations of Darlot and Great Western, while the processing plant at the King of the Hills mine site was under construction.

Half-year ended			
	Units	31 Dec 2021	31 Dec 2020
Mined tonnes	t	720,300	549,434
Mined grade	g/t	1.71	2.64
Tonnes milled	t	530,274	522,532
Average head grade	g/t	2.09	2.73
Recovery	%	92.5	91.0
Gold recovered	oz	32,898	41,817
Gold operational sales	oz	31,761	42,344

The Group delivered total gold production from its Darlot and Great Western mines of 32,898 ounces for the six months ending 31 December 2021, recovered from 530,274 tonnes of ore processed at an average head grade of 2.09g/t Au.

Gold sales of 31,761 ounces for the half-year underpinned revenue of \$80.072 million. The Group posted a gross operating loss of \$18.720 million.

The gross operating loss reflects the impact of reduced ounces produced and sold as a consequence of a lower average head grade associated with mining in remnant areas at the Darlot gold mine and a delay in the mining schedule at the Great Western satellite operation, as well as accounting adjustments of \$12.878 million associated with the planned closure of the Darlot mill consisting of additional depreciation of the Darlot plant of \$8.052 million and an increase in the provision for obsolete spares and consumables stock at Darlot of \$4.145 million.

The Company implemented a series of improvement projects at Darlot during half-year as it prepares for the Darlot underground mine to transition to a satellite mine to the King of the Hills (KOTH) operation later in the financial year, whereby the Darlot mill is to be placed into care and maintenance and the majority of the surface employees transferring to KOTH. These initiatives included commissioning a new remote guidance system, establishing an in-house airleg division, revised fly-in-fly-out rosters, and successfully integrating the Company's new underground mining contractor, Redpath, into the business.

King of the Hills (KOTH) Development

Development of the KOTH project is progressing within budget and is on schedule despite the current challenging environment for new construction projects in Western Australia's resource sector. All critical equipment for the SAG

RED 5 LIMITED AND CONTROLLED ENTITIES

mill, gyratory crusher, conveyors and power station were in place and the project was over 83% complete at the end of December 2021.

Apart from the construction activity, 60,000 metres of underground and open pit grade control drilling has been completed during the half-year and the operational readiness team are on track to transition to production in the second quarter of 2022 in line with the project execution plan. Post 31 December 2021 additional milestones include the start of open pit mining and the commencement of commissioning of the crushing circuit, putting the KOTH Project on schedule and within budget to deliver first gold in the June Quarter 2022.

Exploration and Resource Development

Consolidation of the Group's Mineral Resources and Ore Reserves across the operations remains a strong focus for Red 5. During the period, no regional drilling activities were conducted however high-grade assay results have been received from Resource and exploration drilling at the Cable and Mission Prospects, located 10 kilometres north of Red 5's Darlot gold mining operation. Reverse Circulation (RC) percussion Resource infill drill results confirm the continuity of narrow lode gold mineralisation along strike, including new high-grade zones of mineralisation, at both Cable and Mission. Deeper drilling at Cable has led to the discovery of a broad zone of mineralisation below the previously known mineralisation, establishing targets for future drill holes. Deeper diamond exploration drilling at Mission has confirmed the extension of narrow, high-grade gold mineralisation below the oxide horizon. Gold mineralisation at both areas remains open at depth and along strike, with further drilling planned to test strike and depth extension opportunities. Updated geological models and maiden JORC 2012 Mineral Resource Estimates for both the Cable and Mission Prospects are in progress.

Siana Gold Project, Philippines

During the previous year, the Group had been in advanced negotiations with interested parties to divest its interests in Philippine affiliated company, Greenstone Resources Corporation (GRC) which holds the Siana Gold Project and the Mapawa Gold Project.

In July 2021 the Group entered into a binding agreement with TVI Resource Development (Phils) Inc to sell its interests in the company. Financial close on this transaction was achieved on 20 September 2021.

Summary of the binding offer:

- US\$19 million cash payable upon completion; and
- Net Smelter Return royalty of 3.25% payable for up to 619,000 ounces of gold, with an estimated future face value of US\$36 million (based on a US\$1,800/oz gold price); As per the accounting standards, the royalty represents a variable consideration and is treated as a contingent asset pending re-commencement of production at Siana, hence royalty accounting value is not recorded as at 31 December 2021.

Corporate

During the year, the company drew down \$77.133 million of the \$175 million debt funding package supporting the construction and development of King of the Hills. Repayments of the debt funding package will commence in December 2022 over four years. Borrowing costs of \$2.730 million were capitalised to the loan.

FINANCIAL REVIEW

(a) Income statement

The Group recorded a net loss after income tax for the half-year ended 31 December 2021 of \$5.840 million in comparison to a net loss for the half-year ended 31 December 2020 of \$1.775 million. The loss for the current period was made up of a gross loss from Darlot operations which was offset by a profit from discontinued operation of \$20.049 million.

Darlot operations recorded a gross loss for the period of \$18.720 million (31 December 2020: gross profit of \$6.852 million). Darlot sold 31,761 ounces of gold during the half-year, which together with silver sales and hedging adjustments resulted in net sales revenue of \$80.072 million. Cost of sales for the period of \$98.792 million comprised production costs, royalties, movement in stockpiles and depreciation charge. The comparative change in gross profit is due to lower ounces of gold sold and the accounting adjustments associated with the planned Darlot mill closure and transition to the KOTH hub.

(b) Balance sheet

Total assets increased by \$45.715 million to \$391.200 million from 30 June 2021. The net increase in total assets was mainly driven by the capital expenditure on the KOTH project. Other material movements were the disposal of assets held for sale, depreciation of operating assets and capitalised exploration costs.

Total liabilities were \$187.645 million, an increase of \$73.036 million from 30 June 2021 primarily from the drawdown of loan financing for the KOTH project.

(c) Cash flow

During the half-year, cash and cash equivalents decreased by \$3.162 million.

Cash outflows from operating activities for the period were \$3.872 million. Cash receipts of \$75.478 million reflect the sale of gold and associated by-products. This was offset by other net operating cash outflows of \$79.350 million, driven by higher payments to suppliers and employees resulting from increased operational costs.

Net cash outflows from investing activities for the period were \$69.939 million, reflecting the expenditure on sustaining and growth capital including King of the Hills plant construction, development costs at Darlot mine and exploration and evaluation costs. This was offset with the proceeds of the sale of Siana mine operation in the Philippines and the receipt of restricted cash into cash and cash equivalents, which will be utilised for the construction of the tailings storage facility at the King of the Hills.

Net financing inflows of \$70.649 million are primarily from the proceeds of borrowings for the King of the Hills plant construction.

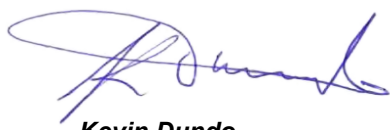
EVENTS SUBSEQUENT TO THE END OF THE HALF YEAR

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included immediately following the Directors' Report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.



Kevin Dundo
Chairman

Perth, Western Australia
25 February 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Red 5 Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Red 5 Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor 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.

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta'.

R Gambitta
Partner

Perth

25 February 2022

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

		CONSOLIDATED HALF-YEAR ENDED	
	Notes	31 December 2021	31 December 2020
		\$'000	Restated* \$'000
Sales revenue	2(a)	80,072	97,715
Cost of sales	2(b)	(98,792)	(90,863)
Gross profit		(18,720)	6,852
Other income and expenses			
Other income	2(c)	127	561
Administration and other expenses	2(d)	(6,061)	(5,135)
Exploration expenditure	8	(1,454)	(1,901)
Financing income	2(e)	4	285
Financing expenses	2(e)	(700)	(846)
Ineffective portion of cashflow hedges reversed		-	(9)
Total other income and expenses		(8,084)	(7,045)
(Loss)/profit before income tax expense		(26,804)	(193)
Income tax benefit/(expense)		915	560
Net (loss)/profit after income tax from continuing operations		(25,889)	369
Profit/(loss) from discontinued operation (net of tax)	17	20,049	(2,142)
Net (loss)/profit after income tax for the year		(5,840)	(1,775)
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		804	(3,069)
Reclassified to profit or loss		(26,504)	-
Cashflow hedge movements		(1,444)	11,875
Total comprehensive profit for the half-year		(32,984)	7,031
Net (loss)/profit after income tax attributable to:			
Non-controlling interest		(81)	(251)
Members of parent entity		(5,759)	(1,524)
		(5,840)	(1,775)
Total comprehensive profit attributable to:			
Non-controlling interest		(77)	(325)
Members of parent company		(32,907)	7,356
		(32,984)	7,031
(Loss)/profit per share attributable to shareholders		Cents	Cents
Basic earnings/(loss) per share	16	(0.25)	(0.08)
Diluted earnings/(loss) per share	16	(0.25)	(0.08)
Basic earnings/(loss) per share – continuing operations	16	(1.10)	0.03
Diluted earnings/(loss) per share – continuing operations	16	(1.10)	0.03

* Comparative information is restated on account of disclosing the profit/(loss) from discontinued operations which had previously been presented under care and maintenance costs (refer to note 17).

The accompanying notes form part of these interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

CONSOLIDATED			
	Note	31 December 2021	30 June 2021
		\$'000	\$'000
Assets			
Current Assets			
Cash and cash equivalents	3	15,028	17,415
Trade and other receivables	4	22,184	9,861
Inventories	5	27,984	26,572
Assets held for sale	17	-	25,623
Total Current Assets		65,196	79,471
Non-Current Assets			
Trade and other receivables	4	15,679	28,810
Property, plant and equipment	6	199,954	136,814
Mine properties	7	69,593	63,025
Exploration and evaluation assets	8	40,395	37,135
Intangible assets		383	230
Total Non-Current Assets		326,004	266,014
Total Assets		391,200	345,485
Liabilities			
Current Liabilities			
Trade and other payables	9	43,508	39,787
Financial liability	10	10,307	-
Provisions	11	1,685	1,116
Employee benefits	12	6,397	5,498
Lease liabilities		3,936	3,529
Liabilities held for sale	17	-	3,940
Total Current Liabilities		65,833	53,870
Non-Current Liabilities			
Financial liability	10	64,096	-
Provisions	11	51,249	52,161
Lease liabilities		6,259	6,624
Employee benefits	12	208	421
Deferred tax liability		-	1,533
Total Non-Current Liabilities		121,812	60,739
Total Liabilities		187,645	114,609
Net Assets		203,555	230,876
Equity			
Contributed equity	14	443,160	442,626
Other equity		930	930
Reserves	15	4,902	31,027
Accumulated losses		(245,426)	(239,797)
Total Equity Attributable to Equity Holders of the Company		203,566	234,786
Non-controlling interests		(11)	(3,910)
Total Equity		203,555	230,876

The accompanying notes form part of these interim financial statements.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY								
	Issued capital	Accumulated losses	Other equity	Foreign currency translation reserve	Hedging reserve	Share-based payments	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	442,626	(239,797)	930	26,309	1,444	3,274	(3,910)	230,876
Net profit/(loss) for the half-year	-	(5,759)	-	-	-	-	(81)	(5,840)
Other comprehensive (loss)/ income for the period								
Foreign currency translation differences	-	-	-	800	-	-	4	804
Reclassified to profit or loss	-	-	-	(26,504)	-	-	-	(26,504)
Ineffective portion of cash flow hedges transferred to profit or loss	-	-	-	-	(1,444)	-	-	(1,444)
Total comprehensive income/(loss) for the period	-	(5,759)	-	(25,704)	(1,444)	-	(77)	(32,984)
Vested performance rights (LTI) converted to ordinary shares	449	-	-	-	-	(449)	-	-
Service and deferred rights (STI) converted to ordinary shares	85	-	-	-	-	(85)	-	-
Performance rights (LTI) forfeited	-	-	-	-	-	(296)	-	(296)
Share based payments (LTI & STI)	-	-	-	-	-	1,983	-	1,983
Transfer from reserves	-	130	-	-	-	(130)	-	-
Disposal of subsidiary	-	-	-	-	-	-	3,976	3,976
Balance at 31 December 2021	443,160	(245,426)	930	605	-	4,297	(11)	203,555
Balance at 1 July 2020	383,887	(196,876)	930	27,991	(18,594)	2,257	(3,546)	196,049
Net profit/(loss) for the half-year	-	(1,524)	-	-	-	-	(251)	(1,775)
Other comprehensive (loss)/ income for the period								
Foreign currency translation differences	-	-	-	(2,995)	-	-	(74)	(3,069)
Ineffective portion of cash flow hedges transferred to profit or loss	-	-	-	-	11,875	-	-	11,875
Total comprehensive income/(loss) for the period	-	(1,524)	-	(2,995)	11,875	-	(325)	7,031
Vested performance rights (LTI) converted to ordinary shares	542	-	-	-	-	(542)	-	-
Service and deferred rights (STI) converted to ordinary shares	232	-	-	-	-	(232)	-	-
Issue of deferred and service rights (STI)	-	-	-	-	-	43	-	43
Deferred rights reversed, issued in cash instead	-	-	-	-	-	(52)	-	(52)
Share based payments (LTI & STI)	-	-	-	-	-	794	-	794
Balance at 31 December 2020	384,661	(198,400)	930	24,996	(6,719)	2,268	(3,871)	203,865

The accompanying notes form part of these interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

		CONSOLIDATED HALF-YEAR ENDED	
	Notes	31 December 2021	31 December 2020
		\$'000	\$'000
Cash flows from operating activities			
Cash received from customers		75,478	97,060
Payments to suppliers and employees		(77,155)	(78,863)
Payments for exploration and evaluation		(1,454)	(1,901)
Sundry receipts		135	446
Interest received		4	382
Interest paid		(52)	(45)
Net operating cash flows used in discontinued operations	17	(828)	-
Net cash (used in)/from operating activities		(3,872)	17,079
Cash flows from investing activities			
Payments for property, plant equipment and intangibles		(77,209)	(17,371)
Payments for mine development		(10,937)	(3,049)
Payments for exploration and evaluation		(3,260)	(8,028)
Disposal of discontinued operation, net of cash		21,467	-
Net cash used in investing activities		(69,939)	(28,448)
Cash flows from financing activities			
Proceeds from borrowings		77,133	-
Payments of borrowing costs and interest		(4,378)	(233)
Repayment of loans		-	(7,000)
Payments of lease liabilities		(2,106)	(4,700)
Net cash from/(used in) financing activities		70,649	(11,933)
Net (decrease)/increase in cash and cash equivalents		(3,162)	(23,302)
Cash at the beginning of the period		17,415	116,220
Effect of exchange rate fluctuations on cash held		775	(69)
Cash and cash equivalents at the end of the period	3	15,028	92,849

The accompanying notes form part of these interim financial statements.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Red 5 Limited ("parent entity") is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Condensed Interim Consolidated Financial Report for the half-year ended 31 December 2021 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities. The Group is primarily involved in the exploration and mining of gold.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2021 are available upon request from the Company's registered office at Level 2, 35 Ventnor Avenue, West Perth, Western Australia.

The condensed interim consolidated half-year financial report was authorised for issue by the parent entity's Board of Directors on 25 February 2022.

1.2 Basis of Preparation of the half-year report

The Condensed Interim Consolidated Financial Report for the half-year ended 31 December 2021 is a general purpose condensed financial report and has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated annual financial report as at and for the year ended 30 June 2021. The condensed interim consolidated half year financial report does not include full note disclosure of the type that would normally be included in the consolidated annual financial report and should be read in conjunction with the consolidated annual financial report as at and for the year ended 30 June 2021. The condensed interim consolidated half year financial report should also be read in conjunction with any public announcements made by Red 5 Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The condensed interim consolidated half year financial report is presented in Australian dollars which is the Company's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the condensed interim consolidated half year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The accounting policies applied by the Group in these Condensed Interim Consolidated Financial Statements are consistent with those applied by the Group in its consolidated annual financial statements as at and for the financial year ended 30 June 2021.

1.3 Use of estimates and judgements

The preparation of the Condensed Interim Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Going Concern

The Directors believe it is appropriate to prepare the consolidated financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

2. REVENUE AND EXPENSES

	CONSOLIDATED HALF-YEAR ENDED	
	31 December 2021 \$'000	31 December 2020 \$'000
(a) Revenue		
Gold and silver sales	78,009	110,956
Realised gains/losses of cash flow hedges	2,063	(13,241)
	80,072	97,715
(b) Cost of sales		
Operating costs	(77,129)	(77,311)
Depreciation and amortisation mine assets	(21,663)	(13,552)
	(98,792)	(90,863)
(c) Other income		
Other income	127	561
	127	561
(d) Administration and other expenses		
Other employee and consultancy expenses	(2,507)	(1,986)
Share based-payments expense	(1,983)	(794)
Corporate costs	(936)	(989)
Property and other indirect tax expenses	(452)	(105)
Depreciation	(196)	(110)
Legal fees	(163)	(377)
Acquisition related costs	(32)	(153)
Travel and accommodation	(28)	(20)
Foreign exchange gains/(losses)	474	(3)
Other expenses	(238)	(598)
	(6,061)	(5,135)
(e) Finance income / (expenses)		
Interest income	4	285
	4	285
Unwinding of discount on rehabilitation provision	(426)	(91)
Interest expense on borrowings	(274)	(609)
Amortisation of borrowing costs	-	(109)
Unrealised loss on fuel hedges	-	(37)
	(700)	(846)

3. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	31 December 2021 \$'000	30 June 2021 \$'000
Cash at bank	15,027	18,159
Cash on deposit	-	30
Cash on hand	1	1
	15,028	18,189
Cash held within assets held for sale	-	(774)
	15,028	17,415

4. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
Current assets		
Restricted cash ^(a)	13,000	-
Trade debtors ^(b)	5,845	3,538
GST receivable	1,576	1,612
Prepayments	1,506	4,690
Sundry debtors	256	20
Interest receivable	1	1
	22,184	9,861
Non-current assets		
Security deposits	8,177	8,306
Restricted Cash ^(a)	7,500	20,500
VAT receivable	2	4
	15,679	28,810

(a) Restricted cash of \$13 million relating to funds held for the construction of the tailings storage facility at the King of the Hills mine will be utilised within the next 12 months.

(b) Trade debtors includes amounts receivable for 2,219 ounces sold on 31 December 2021, equivalent to \$5.560 million (30 June 2021: 1,313 ounces equivalent to \$3.068 million).

5. INVENTORIES

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
Stores, spares and consumables at cost (30 June 2021: at cost)	3,781	8,039
Run of mine stockpiles at net realisable value (30 June 2021: at cost)	8,827	6,064
Gold in circuit at net realisable value (30 June 2021: at cost)	14,853	11,886
Crushed ore stockpile at net realisable value (30 June 2021: at cost)	523	451
Gold Bullion at cost	-	132
	27,984	26,572

Stores, spares and consumables represent materials and supplies consumed in the production process. Slow moving and obsolete items amounting to \$4.145 million have been provided for in view of the King of the Hills processing hub commencing in the June 2022 quarter (30 June 2021: \$0.683 million).

6. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment (a)	Fixtures and fittings	Right of use assets	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
Balance at 1 July 2021	10,648	48,902	369	27,156	102,281	189,356
Additions ^(b)	224	454	-	2,077	77,920	80,675
Transfer from assets under construction ^(c)	27	3,415	6	10	(5,860)	(2,402)
Balance at 31 December 2021	10,899	52,771	375	29,243	174,341	267,629
Balance at 1 July 2020	13,264	138,487	2,014	21,080	7,206	182,051
Additions ^(b)	436	2,025	29	6,224	97,765	106,479
Disposals	-	(727)	-	(72)	-	(799)
Transfer from assets under construction	13	1,867	78	-	(1,958)	-
Transfer to assets held for sale	(3,065)	(92,750)	(1,752)	(76)	(732)	(98,375)
Balance at 30 June 2021	10,648	48,902	369	27,156	102,281	189,356
Accumulated depreciation						
Balance at 1 July 2021	(5,830)	(31,082)	(223)	(15,407)	-	(52,542)
Depreciation for the period	(757)	(11,602)	(28)	(2,746)	-	(15,133)
Disposals	-	-	-	-	-	-
Balance at 31 December 2021	(6,587)	(42,684)	(251)	(18,153)	-	(67,675)
Balance at 1 July 2020	(6,475)	(73,739)	(1,802)	(9,518)	-	(91,534)
Depreciation for the year	(1,600)	(7,387)	(55)	(5,995)	-	(15,037)
Disposals	-	453	-	71	-	524
Transfer to assets held for sale	2,245	49,591	1,634	35	-	53,505
Balance at 30 June 2021	(5,830)	(31,082)	(223)	(15,407)	-	(52,542)
Carrying amounts						
At 1 July 2020	6,789	64,748	212	11,562	7,206	90,517
At 30 June 2021	4,818	17,820	146	11,749	102,281	136,814
At 31 December 2021	4,312	10,087	124	11,090	174,341	199,954

^(a) Property, plant and equipment includes the Darlot 1.0 Mtpa processing plant facility with a net book value of \$3.342 million at 31 December 2021. The Group had identified indicators of impairment at 31 December 2021 resulting from the King of the Hills processing hub strategy announced to the market in August 2021 and performed an impairment assessment on this asset. The Group concluded that the value of the asset is recoverable as at 31 December 2021, however the Group also identified that the gold production assumption should be adjusted in line with the King of the Hills processing hub strategy resulting in that depreciation should be accelerated so that it is fully depreciated in the second half of the 2022 financial year.

^(b) During the half year ended additions included continued construction of the KOTH processing plant. It also included new leased assets, sustaining capital and tailing storage facility improvements.

^(c) Transfer of assets under construction to plant, property and equipment (\$3.458 million), mine properties (\$2.232 million) and intangibles (\$0.170 million).

7. MINE PROPERTIES

	Mine development	Asset retirement obligation	Mineral rights	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
Balance at 1 July 2021	58,944	22,965	30,717	112,626
Additions	10,937	-	-	10,937
Transfer from assets under construction (refer note 6)	2,232	-	-	2,232
Balance at 31 December 2021	72,113	22,965	30,717	125,795
Balance at 1 July 2020	235,525	11,328	30,717	277,570
Additions	10,050	-	-	10,050
Transfer from exploration and evaluation (refer note 8)	2,805	-	-	2,805
Rehabilitation change in estimate	-	13,796	-	13,796
Transfer to assets held for sale	(189,436)	(2,159)	-	(191,595)
Balance at 30 June 2021	58,944	22,965	30,717	112,626
Accumulated depreciation				
Balance at 1 July 2021	(27,962)	(1,756)	(19,883)	(49,601)
Amortisation	(5,781)	(703)	(117)	(6,601)
Balance at 31 December 2021	(33,743)	(2,459)	(20,000)	(56,202)
Balance at 1 July 2020	(207,810)	(86)	(18,457)	(226,353)
Amortisation	(4,658)	(1,756)	(1,426)	(7,840)
Transfer to assets held for sale	184,506	86	-	184,592
Balance at 30 June 2021	(27,962)	(1,756)	(19,883)	(49,601)
Carrying amounts				
At 1 July 2020	27,715	11,242	12,260	51,217
At 30 June 2021	30,982	21,209	10,834	63,025
At 31 December 2021	38,370	20,506	10,717	69,593

8. EXPLORATION AND EVALUATION

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
Opening balance	37,135	32,361
Exploration and evaluation expenditure incurred in current period ^(a)	4,714	11,187
Capitalised exploration costs transferred to mine development (refer to note 7)	-	(2,805)
Exploration expenditure transferred to profit or loss	(1,454)	(3,217)
Transferred to assets held for sale	-	(391)
Closing Balance	40,395	37,135

- (a) During the period exploration costs at Darlot of \$3.237 million (2021: \$3.217 million) were incurred as well as \$0.705 million relating to the acquisition and drilling costs at satellite deposits acquired by Darlot (2021: \$4.281 million). In addition, \$0.771 million for drilling and related costs at King of the Hills gold project were capitalised (2021: \$3.425 million).
- (b) The carrying value of exploration costs totalling \$1.454 million were expensed (2021: \$3.217 million). These costs were associated with drilling and studies at the Darlot gold project where no further work will be performed in that particular area.

9. TRADE AND OTHER PAYABLES

Current

Creditors and accruals
Royalties and other indirect taxes
Other creditors

CONSOLIDATED	
31 December 2021	30 June 2021
\$'000	\$'000
38,959	33,973
1,541	1,227
3,008	4,587
43,508	39,787

10. FINANCIAL LIABILITY

Nominal Interest Rate

Loan Term

Carrying Value

Current borrowings

Non-current borrowings

Bank syndicate debt facility	
31 December 2021	30 June 2021
\$'000	\$'000
BBSY bid rate + 4.0%	BBSY bid rate + 4.0%
69 months	69 months
74,403	-
10,307	-
64,096	-
74,403	-

On 6 May 2021 a \$175 million debt facility commitment was entered into with a syndicate comprising BNP Paribas, Australia branch, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch and Macquarie Bank Limited.

The key terms of the project financing facilities include:

- \$160 million senior secured project loan facility;
- \$15 million cost overrun and working capital facility;
- Loan term of 5.75 years, maturing on 30 September 2026;
- An interest rate in respect of the senior secured project loan facility of BBSY-bid plus a margin of 3.5-3.75% p.a.; and
- Guaranteed and secured on a first-ranking basis over all Australian assets of Red 5, Greenstone Resources (WA) Pty Ltd, Opus Resources Pty Ltd and Darlot Mining Company Pty Ltd.

The first draw-down on the debt facility took place in July 2021. Borrowing costs have been capitalised. Repayments are due to commence in December 2022.

11. PROVISIONS

Provision for rehabilitation^(a)

Withholding tax

Other provisions

Current

Non-current

CONSOLIDATED	
31 December 2021	30 June 2021
\$'000	\$'000
51,109	50,683
-	504
1,825	2,090
52,934	53,277
1,685	1,116
51,249	52,161
52,934	53,277

(a) **Rehabilitation provision**

Mining activities within the Group are required by law to undertake rehabilitation as part of their ongoing operations. The rehabilitation provision represents the present value of rehabilitation costs, which are expected to be incurred when the rehabilitation work following the cessation of operations is expected to be completed. This provision has been created based on the Group's internal estimates which are reviewed over time as the operation develops. The accretion of the effect of discounting on the provision is recognised as a financial expense. In addition, the rehabilitation obligation has been recognised as an intangible asset and has been amortised over the life of the mines on units of production basis.

12. EMPLOYEE BENEFITS

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
Provision for employee entitlements		
Provision for annual leave	3,091	2,912
Provision for long-service leave	1,486	1,634
Provision for bonuses	2,028	1,373
	6,605	5,919
Current	6,397	5,498
Non-current	208	421
	6,605	5,919

13. DERIVATIVE FINANCIAL INSTRUMENTS

Forward contracts designated as hedges

During the prior year as part of the King of the Hills debt funding, the Group closed all existing hedge contracts.

New gold forward contracts were entered into amounting to 189,651 ounces of gold produced at the King of the Hills operation. The hedge contracts are priced at an average of \$2,154 per ounce and for the period from October 2022 to June 2025. The new gold forward contracts are accounted for using the own use exemption.

In March 2021 the remaining open hedges were closed as mentioned above. To the extent that the closure related to production hedged from July 2021 to September 2021, the gain was retained in the cashflow hedge reserve and released to the income statement once the production took place in those months.

14. CONTRIBUTED EQUITY

(a) **Share capital**

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
2,356,360,652 (30 June 2021: 2,346,323,247) ordinary fully paid shares	443,160	442,626

RED 5 LIMITED
AND CONTROLLED ENTITIES

(b) Movements in ordinary share capital

	CONSOLIDATED	
	Thousand shares	\$'000
On issue at 30 June 2020	1,958,845	383,887
Capital raising for cash	375,415	60,066
Service rights vested	744	149
Deferred rights vested and converted to shares	328	83
Performance rights vested and converted to shares	10,992	542
Share issue costs	-	(2,102)
On issue at 30 June 2021	2,346,323	442,626
On issue at 1 July 2021	2,346,323	442,626
Performance rights vested and converted to shares	9,710	449
Service rights vested and converted to shares	327	85
On issue at 31 December 2021	2,356,360	443,160

Ordinary shares entitle the holder to participate in dividends and proceeds on the winding up of the parent entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Other equity

	CONSOLIDATED	
	Thousand shares	\$'000
On issue at 30 June 2021 ^(a)	581	930
On issue at 31 December 2021	581	930

^(a) Red 5 has provided for 581,428 shares to be issued at a value of \$930,285 to settle the outstanding tax liability in relation to the acquisition of Merrill Crowe Corporation (MCC) in a previous financial year.

15. RESERVES

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$'000	\$'000
Foreign currency translation reserve ^(a)	605	26,309
Defined retirement benefit ^(b)	-	130
Share-based payment reserve ^(c)	4,297	3,144
Hedging reserve ^(d)	-	1,444
	4,902	31,027

^(a) The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currency is different to the presentation currency of the reporting entity. This balance has been mostly released to the income statement on the sale of the main Philippine operation, Greenstone Resources Corporation (GRC) in the current year.

^(b) This reserve is for the revaluation movements of the defined retirement benefit fund for Philippines employees. It has been released on the sale of GRC during the current year.

^(c) The share-based payment reserve includes performance rights, service and deferred rights reserve. It arises on the granting and vesting of equity instruments.

^(d) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments (net of tax) used in cash flow hedges pending subsequent recognition in profit or loss. At 31 December 2021 there were no open hedges (refer note 13).

16. EARNINGS PER SHARE

	Half-year ended	
	31 December 2021 \$'000	31 December 2020 \$'000
Net (loss)/gain after income tax from continuing operations attributable to members of the parent company	(25,808)	618
Net gain after income tax from discontinued operations	20,049	(2,142)
Net profit/(loss) after income tax attributable to members of the parent company	(5,759)	(1,524)
	No. shares ('000)	No. shares ('000)
(i) Weighted-average number of ordinary shares (basic):		
Opening issued ordinary shares	2,346,322	1,958,845
Effect of shares issued 21 August 2021	7,019	-
Effect of shares issued 7 September 2021	206	-
Effect of shares issued 20 July 2020	-	668
Effect of shares issued 11 September 2020	-	6,690
Effect of shares issued 25 November 2020	-	66
Weighted average number of ordinary shares at 31 December (basic)	2,353,547	1,966,269
(ii) Weighted-average number of ordinary shares (basic):		
	2,353,547	1,966,269
Effect of performance rights contingently issuable	-	-
Effect of service rights contingently issuable	-	-
Weighted average number of ordinary shares at 31 December (diluted)	2,353,547	1,966,269
Earnings per share (cents per share)		
Basic (loss)/profit per share	(0.25)	(0.08)
Diluted (loss)/profit per share	(0.25)	(0.08)
Basic (loss)/profit per share – continuing operations	(1.10)	0.03
Diluted (loss)/profit per share – continuing operations	(1.10)	0.03

For fully diluted (loss)/profit per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares. The Group's potentially dilutive securities consist of performance and service rights. Since the Group has a net loss after tax for the period, the potentially dilutive securities have not been taken into account because their effect would be antidilutive.

17. DISCONTINUED OPERATION

Sale of Siana Gold Mine (Philippines)

During the previous year the Group had been in negotiations with interested parties to divest its interests in Philippine affiliated company Greenstone Resources Corporation (GRC), which holds both the Siana Gold Project (Siana) and the Mapawa Gold Project.

In July 2021 a binding agreement with TVI Resource Development (Phils.) Inc. (TVIRD) was entered into for the sale of GRC. TVIRD is the Philippine affiliate of the Canadian-listed TVI Pacific Inc.

The divestment included the process plant and all other infrastructure at Siana. A royalty of 3.25% payable for up to 619,000 ounces of gold will be payable to the Group from first gold from the restart of the Siana processing plant. Completion of the closing conditions of the agreement, which included certain Philippine regulatory approvals, took place in September 2021. The Group received gross proceeds of US\$19 million (approximately A\$25.676 million) through the repayment of outstanding shareholder advances due from its Philippine-affiliated company, Red 5 Asia Inc, which is a shareholder of GRC.

The divestment of its interests in Siana is consistent with Red 5's strategy to focus on its King of the Hills and Darlot gold mines in Western Australia, with the aim of becoming a substantial mid-tier Australian gold producer.

(a) Results of discontinued operation

CONSOLIDATED		
	31 December 2021	31 December 2021
	\$'000	\$'000
Disposal consideration net of costs to sell	22,076	-
Net assets disposed of	(22,580)	-
Non-controlling interest	(3,976)	-
Foreign currency translation reserve	25,704	-
Gain on sale of discontinued operation ⁽ⁱⁱ⁾	21,224	-
Care and maintenance costs	(1,175)	(2,142)
Profit from discontinued operation	20,049	(2,142)

- (i) Due to uncertainty of receipt of the 3.25% royalties on the ounces of gold produced by GRC in the future, an impairment loss to the write down the assets and liabilities of the discontinued operation to the lower of its carrying amount and fair value was incurred and accounted for in the June 2021 annual report.
- (ii) Gain on sale of discontinued operation is mainly derived from the release of the foreign currency translation reserve associated with the disposal of the discontinued operation's net assets. There were no tax consequences on the sale consideration due to available tax losses in the Philippines.

(b) Effect of disposal of discontinued operation on the financial position of the Group

CONSOLIDATED	
	31 December 2021
	\$'000
Plant, property and equipment	16,740
Mine properties	960
Inventory	6,014
Trade and other receivables	639
Cash and cash equivalents	609
Trade and other payables	(18)
Provisions	(2,364)
Net assets and liabilities	22,580
Consideration received, net of selling costs	22,076
Cash and cash equivalents disposed of	(609)
Net cash inflows	21,467

(c) Cash flows (used in)/ from discontinued operation

CONSOLIDATED		
	31 December 2021	30 June 2021
	\$'000	\$'000
Net cash used in operating activities	(828)	(3,975)
Net cash from/(used in) investing activities	21,467	(53)
Net cash from financing activities	-	-
Net cash flow for the year	20,639	(4,028)

18. CONTINGENT LIABILITIES

The consolidated entity had no material contingent liabilities as at the reporting date and as at the end of the half-year period.

19. CAPITAL COMMITMENTS

CONSOLIDATED		
	31 December 2021	30 June 2021
	\$'000	\$'000
Capital expenditure commitments		
Contracted but not provided for:		
- not later than one year	48,631	83,934
	48,631	83,934

In addition to the above capital commitments, agreements have been entered into for the long term supply of gas and power to KOTH.

20. SEGMENT INFORMATION

The Group is managed primarily on the basis of its production, development and exploration assets in both Australia and the Philippines. Operating segments are therefore determined on the same basis.

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

	Australia ^(a)	Philippines (discontinued)	Other ^(b)	Total
(i) Segment performance	\$'000	\$'000	\$'000	\$'000
Half-year ended 31 December 2021				
Revenues ^(c)	80,072	-	-	80,072
Segment result before tax	(21,189)	-	(5,615)	(26,804)
Discontinued operation	-	20,049	-	20,049
(ii) Segment position				
As at 31 December 2021				
Segment assets	367,805	-	23,395	391,200
Segment liabilities	109,946	-	77,699	187,645

RED 5 LIMITED
AND CONTROLLED ENTITIES

	Australia ^(a)	Philippines (discontinued)	Other ^(b)	Total
(i) Segment performance	\$'000	\$'000	\$'000	\$'000
Half-year ended 31 December 2020				
Revenues	97,715	-	-	97,715
Segment result before tax	4,695	(2,654)	(4,376)	(2,335)
(ii) Segment position				
As at 30 June 2021				
Segment assets	184,555	60,672	98,168	343,395
Segment liabilities	105,688	3,940	4,981	114,609

(a) Australia segment consists of the Darlot Mining Company Pty Ltd and the King of the Hills gold project.

(b) Includes corporate costs of the group and inter-company transactions. The segment liability in the previous year included the deferred consideration payable to the sellers relating to the acquisitions of Darlot project.

(c) Revenue is attributable to two customers only.

21. INVESTMENTS IN CONTROLLED ENTITIES

Name of controlled entities	Country of incorporation	Class of shares	Equity holding	
			2021	2020
			%	%
Bremer Resources Pty Ltd	Australia	Ordinary	100	100
Estuary Resources Pty Ltd	Australia	Ordinary	100	100
Greenstone Resources (WA) Pty Ltd	Australia	Ordinary	100	100
Oakborough Pty Ltd	Australia	Ordinary	100	100
Opus Resources Pty Ltd	Australia	Ordinary	100	100
Red 5 Philippines Pty Ltd	Australia	Ordinary	100	100
Red 5 Mapawa Pty Ltd	Australia	Ordinary	100	100
Red 5 Dayano Pty Ltd	Australia	Ordinary	100	100
Darlot Mining Company Pty Ltd	Australia	Ordinary	100	100
Bremer Binaliw Corporation	Philippines	Ordinary	-	100
Red5 Mapawa Inc	Philippines	Ordinary	100	100
Red5 Dayano Inc	Philippines	Ordinary	100	100
Red 5 Asia Inc	Philippines	Ordinary	100	100
Greenstone Resources Corporation ^(a)	Philippines	Ordinary	-	40
Surigao Holdings and Investments Corporation ^(b)	Philippines	Ordinary	40	40

(a) In September 2021 the company sold all its interest in Greenstone Resources Corporation to a Philippine registered resource company, TVI Resources Incorporated (refer to note 17).

(b) The Company holds a 40% direct interest in Surigao Holdings and Investments Corporation (SHIC) voting stock. Agreements are in place which deals with the relationship between Red 5 and other shareholders of these entities. In accordance with Australian accounting standard, AASB 10 *Consolidated Financial Statements*, Red 5 has consolidated these companies in these financial statements.

22. SUBSEQUENT EVENTS

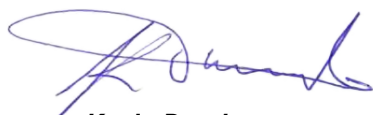
There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Red 5 Limited:

1. the condensed interim consolidated financial statements and notes set out on page 6 to 22 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
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.

Signed in accordance with a resolution of the Directors.



Kevin Dundo
Chairman

Perth, Western Australia
25 February 2022



Independent Auditor's Review Report

To the Shareholders of Red 5 Limited

Report on the Condensed Interim Consolidated Financial Report

Conclusion

We have reviewed the accompanying **Condensed Interim Consolidated Financial Report** of Red 5 Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Red 5 Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the **Half-Year** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Consolidated Financial Report** comprises:

- Condensed Interim Consolidated statement of financial position as at 31 December 2021.
- Condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Red 5 Limited and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half-Year** is the 6 months ended on 31 December 2021.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Condensed Interim Consolidated Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Consolidated Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Consolidated Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Interim Consolidated Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Consolidated 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 Condensed Interim Consolidated Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Consolidated 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.

KPMG

R Gambitta
Partner

Perth

25 February 2022