



Fitzroy River Corporation Limited

ABN 75 075 760 655

Half-year Financial Report - 31 December 2019

Registered Office: Suite 6.02, Level 6, 28 O'Connell Street Sydney NSW 2000

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Fitzroy River Corporation Limited
Directors' report
31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the '**consolidated entity**') consisting of Fitzroy River Corporation Limited (referred to hereafter as the '**company**' or '**parent entity**') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of Fitzroy River Corporation Limited during the whole of the financial half-year and up to the date of this report:

Mr Malcolm McComas – Independent Non-Executive Chairman
Ms Susan Thomas – Non-Executive Director
Mr Justin Clyne - Non-Executive Director and Company Secretary

Principal activities

The principal activities of the consolidated entity are as an oil and gas and mineral investment holding company with a focus on non-operational assets such as royalties, free carried interests and equity investments. The consolidated entity's focus is a number of areas including but not limited to:

- the 'Canning Superbasin' in Western Australia;
- Bass Strait through the company's wholly owned subsidiary, the formerly ASX listed Royalco Resources Limited (Royalco);
- the Gulf of Mexico through the company's investment in Byron Energy Limited (ASX: BYE); and
- the UK North Sea through its investment in unlisted Spark Exploration Pty Ltd.

The consolidated entity's activities are generally passive in nature and its royalty income is dependent on the activities and quantum of oil sales by third parties and the receipt of dividends, if any, from its investments.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,673,000 (31 December 2018: \$726,000).

The loss includes an impairment loss of \$2,284,000 in respect of the difference between the consideration payable for Royalco and the fair value of the assets acquired. Refer to note 2.

During the half-year period, the company made an off-market takeover offer to acquire all of the shares in Royalco that it did not already own for a cash consideration of 24c per share. As at the end of the period, Fitzroy had a 94.99% relevant interest in shares in Royalco and subsequent to the end of the period, Fitzroy moved to compulsorily acquire of the remaining shares which was completed on 14 February 2020. Since that date, Royalco is a wholly owned subsidiary of Fitzroy.

During the half-year period, the on-market share buy-back which was announced to the ASX on 9 August 2018 concluded with the company buying back a total of 2,087,458 shares for a total consideration of \$391,561 (representing 2.36% of the shares on issue prior to the commencement of the buy-back) during the 12 month period in which the buy-back remained open. During the half-year period, the company bought back 191,447 fully paid ordinary shares at a cost of \$35,418. Following completion of the buy-back, the company now has a total of 86,363,401 shares on issue.

Significant changes in the state of affairs

During the half-year the company obtained control of Royalco effective 21 December 2019, and accordingly has prepared consolidated financial statements at 31 December 2019.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 17 February 2020, the company announced that it had completed the process for the compulsory acquisition of Royalco. Royalco is now a fully owned subsidiary of the company and has been removed from the official list of the ASX.

On 20 February 2020, the Company made an early pre-payment of \$1.5m of the \$5m loan facility referred to in paragraph 5.4 of the Bidder's Statement lodged with the ASX on 5 December 2019.

Fitzroy River Corporation Limited
Directors' report
31 December 2019

Since 31 December 2019, the company has sold a total 430,348 shares in High Peak Royalties Limited, receiving a total of \$42,916. These shares were valued at \$38,731 at 31 December 2019.

Since 31 December 2019, the company has sold a total 685,000 shares in Byron Energy Limited, receiving a total of \$201,522. These shares were valued at \$205,500 at 31 December 2019.

The directors note recent extreme volatility in equity markets, oil prices, and exchange rates since 31 December 2019 attributed to COVID-19 which can be expected to have an impact on the consolidated entity's financial assets and royalty income.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Malcolm McComas
Director

10 March 2020
Sydney

The Board of Directors
Fitzroy River Corporation Limited
GPO Box 4626
Sydney NSW 2001

10 March 2020

Dear Board Members

Fitzroy River Corporation 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 Fitzroy River Corporation Limited.

As lead audit partner for the review of the financial statements of Fitzroy River Corporation Limited for the half-year ended 31 December 2019, 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



Cheryl Kennedy
Partner
Chartered Accountants

Fitzroy River Corporation Limited

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General information

The financial statements cover Fitzroy River Corporation Limited (**Fitzroy**) and its controlled entities (consolidated entity) for the half year ended 31 December 2019 given the company acquired Royalco and its controlled entities on 21 December 2019. The financial statements are presented in Australian dollars, which is Fitzroy's functional and presentation currency.

Royalco's has a 100% ownership interest and control over the following entities (both of which are dormant):

- Ginto Minerals Pty Ltd
- Royalco Resources (No1) Pty Ltd

The financial statements are presented in Australian dollars, which is Fitzroy's functional and presentation currency.

Fitzroy is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 6.02, Level 6
28 O'Connell Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

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The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2020.

Fitzroy River Corporation Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated Dec 19 \$'000	Company Dec 18 \$'000
Royalty income		144	176
Interest revenue calculated using the effective interest method		11	20
Expenses			
Professional and consultancy fees		(148)	(74)
Director and company secretarial fees		(90)	(90)
Impairment of investment in associate	4	(17)	(124)
Impairment of intangible assets	5	(2,284)	-
Fair value loss on warrants over unlisted equity securities		(6)	-
Share of net loss from associate accounted for using the equity method	4	(64)	(57)
Amortisation of royalty rights	5	(12)	-
Other expenses		(91)	(58)
Finance costs		(116)	-
Loss before income tax expense		(2,673)	(207)
Income tax expense		-	(519)
Loss after income tax expense for the half-year attributable to the owners of Fitzroy River Corporation Limited		(2,673)	(726)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain / (loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		302	(1,644)
Other comprehensive income / (loss) for the half-year, net of tax		302	(1,644)
Total comprehensive loss for the half-year attributable to the owners of Fitzroy River Corporation Limited		(2,371)	(2,370)
		Cents	Cents
Basic loss per share	12	(3.09)	(0.82)
Diluted loss per share	12	(3.09)	(0.82)

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

Fitzroy River Corporation Limited
Condensed consolidated statement of financial position
As at 31 December 2019

	Note	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Assets			
Current assets			
Cash and cash equivalents		8,355	1,251
Trade and other receivables		303	79
Other		66	22
Total current assets		<u>8,724</u>	<u>1,352</u>
Non-current assets			
Investments accounted for using the equity method	4	-	4,034
Financial assets at fair value through other comprehensive income		6,660	6,358
Derivative financial instruments		132	138
Intangibles	5	<u>5,667</u>	-
Total non-current assets		<u>12,459</u>	<u>10,530</u>
Total assets		<u>21,183</u>	<u>11,882</u>
Liabilities			
Current liabilities			
Trade and other payables		123	41
Borrowings	6	5,016	-
Other	7	6,609	-
Total current liabilities		<u>11,748</u>	<u>41</u>
Total liabilities		<u>11,748</u>	<u>41</u>
Net assets		<u>9,435</u>	<u>11,841</u>
Equity			
Issued capital	8	41,378	41,413
Reserves		2,716	2,414
Accumulated losses		<u>(34,659)</u>	<u>(31,986)</u>
Total equity		<u>9,435</u>	<u>11,841</u>

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

Fitzroy River Corporation Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2019

	Note	Consolidated Dec 19 \$'000	Company Dec 18 \$'000
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(284)	(242)
Dividends, interest and royalties received		130	182
		<hr/>	<hr/>
Interest received		(154)	(60)
Interest and other finance costs paid		11	-
		<hr/>	<hr/>
		(100)	-
Net cash used in operating activities		<hr/>	<hr/>
		(243)	(60)
Cash flows from investing activities			
Payment for financial assets at fair value through other comprehensive income		-	(513)
Cash acquired from purchase from Royalco Resources Limited		2,394	-
Payment for derivative financial instruments		-	(182)
		<hr/>	<hr/>
Net cash from/(used in) investing activities		2,394	(695)
Cash flows from financing activities			
Proceeds from borrowings		5,000	-
Payments for share buy-backs		(47)	(132)
		<hr/>	<hr/>
Net cash from/(used in) financing activities		4,953	(132)
Net increase/(decrease) in cash and cash equivalents		7,104	(887)
Cash and cash equivalents at the beginning of the financial half-year		1,251	2,330
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year		<u>8,355</u>	<u>1,443</u>

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

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Amendments to accounting standards and new interpretations that are mandatorily effective for the current reporting period

In the current year, the consolidated entity has applied a number of amendments to Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current half-year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Intangible assets

Intangible assets acquired as part of an asset acquisition, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Royalty rights

Royalty rights acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of \$2,673,000 and net cash outflows from operating activities of \$243,000 for the half-year ended 31 December 2019. The loss for the period includes a non-cash impairment of \$2,284,000. In addition, it has a net working capital deficiency of \$3,024,000.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 1. Significant accounting policies (continued)

- The board intend to refinance the remaining \$3,500,000 loan facility on or prior to maturity on more favourable and extended terms;
- The company has the ability to realise its financial assets, whose current market value is significantly in excess of the net working capital deficiency, and has already realised \$244,438 since 31 December 2019;
- The consolidated entity received income through the receipt of royalty payments from Buru Energy Limited in relation to royalties over some of Buru's production areas in the Canning Basin and expect to receive ongoing royalties;
- Subsequent to the acquisition prior to the end of the financial period, the consolidated Entity expects to receive future income from the Weeks royalty; and
- While not a priority, as a listed company has access to raise capital through the equity markets at any time should it choose to do so.

Accordingly, the directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. A net deferred tax asset has not been recognised in the current period because its realisation has not been deemed probable.

Acquisition of Royalco Resources Limited

On 14 November 2019, the company announced its intention to make an off-market take over for all of the shares in Royalco Resources Limited (**Royalco**) that it did not own. Prior to making the offer, the company held 47.76% of the Royalco shares on issue and accounted for the investment using the equity accounting method. The total shares to be acquired was 27,539,260 at a cost of \$6,609,422. On 20 December 2019, the company announced that it had received unconditional acceptances under the offer which took its relevant interest in Royalco to 93.91% meaning the company could acquire the remaining shares compulsorily. Given that two of Fitzroy's three directors were also directors on the Royalco board, accounting principles state that Fitzroy was deemed to have control of Royalco as of 21 December 2019. Accordingly, a liability has been recognised for the full amount payable under the offer which has been paid since 31 December 2019.

At the time of the acquisition, Royalco held a small portfolio of royalty assets with only one of them, the Weeks royalty, generating revenue. For this reason, the Fitzroy Board determined that Royalco was not carrying on a business as defined in AASB 3 Business Combinations and therefore have accounted for the transaction as an asset acquisition rather than a business combination.

As noted above, the company's investment in Royalco comprised two elements, the existing investment in Royalco accounted for using the equity method and the cash payable. An independent accountant was engaged to assist in determining the fair value of the Company's investment in Royalco as at 21 December when control was gained.

The board has reviewed the carrying values of the royalty rights acquired, and are comfortable that Royalco's carrying value of the Weeks royalty is reasonable. The other royalty rights acquired are not over currently producing assets, and none of the holders of those assets over which Royalco has a royalty, has announced definite plans to go into production. For this reason, an impairment of \$2,284,000 has been recognised. Refer to note 5.

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 3. Operating segments

Identification of reportable operating segments

The company is organised into one operating segment: management of resource based royalties. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Non-current assets - investments accounted for using the equity method

	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Investment in associate	-	4,034

Reconciliation

Reconciliation of the carrying amounts are set out below:

Opening carrying amount	4,034	4,096
Impairments	(17)	-
Share of loss after income tax	(64)	(62)
Amount derecognised upon taking control of Royalco Resources Limited	(3,953)	-
Closing carrying amount	-	4,034

During the current period the company gained control of Royalco Resource Limited it has now been accounted in the consolidated entity. Refer to note 2

Note 5. Non-current assets - intangibles

	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Royalty rights - at fair value	7,963	-
Less: Accumulated amortisation	(12)	-
Less: Impairment	(2,284)	-
	5,667	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Royalty rights \$'000	Total \$'000
Balance at 1 July 2019	-	-
Additions	7,963	7,963
Impairment of assets *	(2,284)	(2,284)
Amortisation expense	(12)	(12)
Balance at 31 December 2019	5,667	5,667

* Refer to note 2 for details on impairment recognised.

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 6. Current liabilities - borrowings

	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Borrowings payable	5,016	-

On 14 November 2019 the company entered into a loan agreement to borrow \$5,000,000, which was drawn down on 19 December 2019. Interest is payable monthly at 10% per annum and the loan terminates on 14 November 2020. Accrued interest has been included in the above balance. A security interest has been registered over all the company's present and after-acquired property.

Note 7. Current liabilities - other

	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Consideration for Royalco Resources Limited acquisition	6,609	-

* Total payment of \$6,416,286 have been made in relation this amount since 31 December 2019. Refer to note 2

Note 8. Equity - issued capital

	Consolidated Dec 19 Shares	Company Jun 19 Shares	Consolidated Dec 19 \$'000	Company Jun 19 \$'000
Ordinary shares - fully paid	86,363,401	86,554,848	41,378	41,413

Movements in ordinary share capital

Details	Date	Shares	Purchase price	\$'000
Balance	1 July 2019	86,554,848		41,413
Share buy back	3 July 2019	(45,600)	\$0.185	(8)
Share buy back	8 July 2019	(19,189)	\$0.185	(4)
Share buy back	15 July 2019	(2,611)	\$0.185	-
Share buy back	16 July 2019	(10,000)	\$0.185	(2)
Share buy back	18 July 2019	(26,047)	\$0.185	(5)
Share buy back	13 August 2019	(88,000)	\$0.185	(16)
Balance	31 December 2019	86,363,401		41,378

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value at the end of each reporting period, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated Dec 19	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Listed equity securities - at fair value	6,078	-	-	6,078
Unlisted equity securities - at fair value	-	-	582	582
Warrants over unlisted equity securities	-	-	132	132
Total assets	<u>6,078</u>	<u>-</u>	<u>714</u>	<u>6,792</u>
Company Jun 19	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Listed equity securities - at fair value	5,783	-	-	5,783
Unlisted equity securities - at fair value	-	-	575	575
Warrants over unlisted equity securities	-	-	138	138
Total assets	<u>5,783</u>	<u>-</u>	<u>713</u>	<u>6,496</u>

There were no transfers between levels during the financial half-year.

The fair value of financial assets and financial liabilities which are not measured at fair value on a recurring basis materially approximates their carrying value at reporting date.

Level 3 assets and liabilities

The valuation of assets valued using Level 3 inputs have been performed with reference to the value of issued capital being contributed in the investee company at the time of the investment. The investment was made on 12 December 2018, and there has been no change in the fair value of the investment between that date and balance date.

Note 11. Events after the reporting period

On 17 February 2020, the company announced that it had completed the process for the compulsory acquisition of Royalco. Royalco is now a fully owned subsidiary of the company and has been removed from the official list of the ASX.

On 20 February 2020, the Company made an early pre-payment of \$1.5m of the \$5m loan facility referred to in paragraph 5.4 of the Bidder's Statement lodged with the ASX on 5 December 2019.

Since 31 December 2019, the company has sold a total 430,348 shares in High Peak Royalties Limited, receiving a total of \$42,916. These shares were valued at \$38,731 at 31 December 2019.

Since 31 December 2019, the company has sold a total 685,000 shares in Byron Energy Limited, receiving a total of \$201,522. These shares were valued at \$205,500 at 31 December 2019.

Fitzroy River Corporation Limited
Notes to the condensed consolidated financial statements
31 December 2019

Note 11. Events after the reporting period (continued)

The directors note recent extreme volatility in equity markets, oil prices, and exchange rates since 31 December 2019 attributed to COVID-19 which can be expected to have an impact on the consolidated entity's financial assets and royalty income.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 12. Loss per share

	Consolidated Dec 19 \$'000	Company Dec 18 \$'000
Loss after income tax attributable to the owners of Fitzroy River Corporation Limited	<u>(2,673)</u>	<u>(726)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>86,389,653</u>	<u>88,205,964</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>86,389,653</u>	<u>88,205,964</u>
	Cents	Cents
Basic loss per share	(3.09)	(0.82)
Diluted loss per share	(3.09)	(0.82)

Fitzroy River Corporation Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Malcolm McComas
Director

10 March 2020
Sydney

Independent Auditor's Review Report to the Members of Fitzroy River Corporation Limited

We have reviewed the accompanying half-year financial report of Fitzroy River Corporation Limited (the "Company"), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated 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 of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half year.

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 consolidated entity's financial position as at 31 December 2019 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 Fitzroy River Corporation 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 Fitzroy River Corporation 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 Fitzroy River Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 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



Cheryl Kennedy

Partner

Chartered Accountants

Sydney, 10 March 2020