



ABN 44 079 902 499

## **FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED  
31 DECEMBER 2017**

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## **COMPANY INFORMATION**

### **Directors**

Mr T Streeter	Non-Executive Chairman/Director, reappointed 10 November 2017
Mr G East	Non-Executive Director, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer
Ms L Da' Silva	Non-Executive Director, resigned 10 November 2017

### **Company Secretary**

B Garlick

### **Registered Office**

10 Abbotsford Street  
West Leederville WA 6007  
Telephone: (08) 9318 5600  
Facsimile: (08) 9328 1380  
ABN: 44 079 902 499

### **Share Registry**

Advanced Share Registry Limited  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9389 7871

### **Lawyers**

Armeli & Malony  
St Martins, Level 23,  
44 St Georges Terrace  
Perth, WA 6000

Gilbert + Tobin  
Level 16, Brookfield Place Tower 2  
123 St Georges Terrace  
Perth WA 6000

### **Bankers**

Bank West  
300 Murray Street  
Perth  
Western Australia 6000

### **Auditors**

Grant Thornton Audit Pty Ltd  
Central Park  
Level 43, 152-158 St Georges Terrace  
Perth WA 6000

### **Website**

[www.foxresources.com.au](http://www.foxresources.com.au)

## DIRECTORS' REPORT

The Directors of Fox Resources Ltd ('Fox Resources') present their Report together with the financial statements of the Consolidated Entity, being Fox Resources Ltd ('the Company') and its Controlled Entities ('the Group') for the half-year ended 31 December 2017.

### Director details

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr T Streeter	Non-Executive Chairman, reappointed 10 November 2017
Mr G East	Non-Executive Director, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer
Ms L Da' Silva	Non-Executive Director, resigned 10 November 2017

## REVIEW OF OPERATIONS

### Exploration

Exploration activities are focused on tenement maintenance with all exploration assets classified as held for sale.

### Financial and Corporate

The Group placed all of its exploration and tangible assets for sale in the 30 June 2015 financial year. The net deficit position of \$3,411,718 continues to be financially supported by the Directors and their related entities up until the date of this report.

### Events Subsequent To Reporting Date

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for \$0.9m.

Fox signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive \$1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. As a result of the latest drilling program Fox's share increased by 16.5Mt of coking coal resource. The sale of the Bundaberg tenement EPC 1523 is dependent on the conditions precedent as detailed in the Sales Contract being completed by the 26 May 2019.

The Company sold a stacker for \$500,000 in April 2018. The stacker value was recognised in assets classified as held for sale as at 31 December 2017.

The Company settled a dispute on the 9 May 2018 with the Administrators appointed on behalf of Moultrie Geology Pty Ltd for services in relation EPC 1523.

## AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001, requires the lead auditor from the Company's auditors, Grant Thornton Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to their review of the financial report for the half year ended 31 December 2017. A copy of the declaration is attached to this report.

For and on behalf of the board

  
**TERRY STREETER**  
NON-EXECUTIVE CHAIRMAN

Dated: 8 April 2019

**CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Notes	Consolidated Dec-17 \$	Dec-16 \$
Other income	3	2,416,520	101,131
Other expenses	3	(493,053)	(253,378)
Finance costs	3	(198,484)	(259,419)
<b>Profit/ (loss) before income tax</b>		<b>1,724,983</b>	<b>(411,666)</b>
Income tax benefit		-	-
<b>Profit/ (loss) from continuing operations</b>		<b>1,724,983</b>	<b>(411,666)</b>
Loss on discontinued operation, net of tax	3	(111,710)	(136,998)
<b>Profit/ (Loss)</b>		<b>1,613,273</b>	<b>(548,664)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
Income tax relating to comprehensive income		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
<b>Total comprehensive profit/ (loss) for the period</b>		<b>1,613,273</b>	<b>(548,664)</b>
Basic and diluted earnings/(loss) per share attributable to the consolidated entity (cents)		0.19	(0.07)
Basic and diluted earnings/(loss) per share attributable to continuing operations (cents)		0.19	(0.05)

*The above statement should be read in conjunction with notes to the financial statements*

**CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Notes	Consolidated Dec-17 \$	Jun-17 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		55,229	519,082
Trade and other receivables		-	-
Other financial assets		37,800	24,060
		93,029	543,142
Assets classified as held for sale	4	2,200,000	2,200,000
<b>TOTAL CURRENT ASSETS</b>		<b>2,293,029</b>	<b>2,743,142</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets		3,462,675	897,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,462,675</b>	<b>897,000</b>
<b>TOTAL ASSETS</b>		<b>5,755,704</b>	<b>3,640,142</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,008,415	2,158,978
Other liabilities		-	500,000
Interest bearing liabilities		2,166,471	2,456,554
Provisions		23,270	21,912
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,198,156</b>	<b>5,137,444</b>
<b>NON CURRENT LIABILITIES</b>			
Interest bearing liabilities		4,969,266	5,057,934
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>4,969,266</b>	<b>5,057,934</b>
<b>TOTAL LIABILITIES</b>		<b>9,167,422</b>	<b>10,195,378</b>
<b>NET ASSETS</b>		<b>(3,411,718)</b>	<b>(6,555,236)</b>
<b>EQUITY</b>			
Issued capital	5	125,976,992	125,976,992
Reserves		1,530,245	-
Accumulated losses		(130,918,955)	(132,532,228)
<b>TOTAL EQUITY</b>		<b>(3,411,718)</b>	<b>(6,555,236)</b>

*The above statement should be read in conjunction with notes to the financial statements.*

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated	
	Dec-17	Dec-16
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	849,518	181,825
Payments to suppliers and employees	(766,310)	(231,808)
Interest and other costs of finance paid	-	-
<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>83,208</b>	<b>(49,983)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration activities	(111,710)	(204,559)
Payments for share investments	(1,349,030)	-
Proceeds from sale of share investments	1,408,766	-
Proceeds from sale of exploration assets	-	250,000
Proceeds from sale of property, plant and equipment	-	99,000
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(51,974)</b>	<b>144,441</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(495,087)	-
Proceeds from borrowings	-	63,310
<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(495,087)</b>	<b>63,310</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(463,853)</b>	<b>157,768</b>
Cash and cash equivalents at the beginning of the financial year	519,082	-
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>55,229</b>	<b>157,768</b>

*The above statement should be read in conjunction with notes to the financial statements.*

## CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Consolidated	Notes	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Total \$
At 1 July 2016		125,976,992	(132,454,057)	150,346	(6,326,719)
Loss for the period		-	(548,664)	-	(548,664)
Sub-total		125,976,992	(133,002,721)	150,346	(6,875,383)
At 31 December 2016		125,976,992	(133,002,721)	150,346	(6,875,383)
At 1 July 2017		125,976,992	(132,532,228)	-	(6,555,236)
Profit for the period		-	1,613,273	-	1,613,273
Sub-total		125,976,992	(130,918,955)	-	(4,941,963)
Asset revaluation		-	-	1,530,245	1,530,245
At 31 December 2017		125,976,992	(130,918,955)	1,530,245	(3,411,718)

*The above statement should be read in conjunction with notes to the financial statements.*



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 1. CORPORATE INFORMATION

The financial report of Fox Resources Ltd for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 8 April 2019.

Fox Resources Ltd is a company limited by shares incorporated in Australia.

The nature of the operations and principal activities of Fox Resources Ltd is the exploration for minerals.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2017 and are presented in Australian Dollar (\$AUD). These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2017 and any public announcements made by the Group during the half-year in accordance with the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 8 April 2019.

#### Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2017.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

#### Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017.

### 3. REVENUE, INCOME AND EXPENSES

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

		Consolidated	
		31 Dec 2017	31 Dec 2016
		\$	\$
(a)	<b>Other Income</b>		
	Service income	1,000,000	-
	Share Revaluation Loss / Gain	1,095,166	-
	Sundry income and forgiveness of debt	321,354	101,131
	<b>Total Other Income</b>	<b>2,416,520</b>	<b>101,131</b>
(b)	<b>Other Expenses</b>		
	Administration expenses	493,053	253,378
	<b>Total Other Expenses</b>	<b>493,053</b>	<b>253,378</b>
(c)	<b>Finance costs</b>		
	Other loans including converting loan	198,484	259,419
		<b>198,484</b>	<b>259,419</b>
(d)	<b>Loss on discontinued operations</b>		
	Exploration & evaluation write off	111,710	204,559
	Profit on sale of assets	-	(80,000)
	Sundry income	-	(47,540)
	Administrative expense	-	59,979
		<b>111,710</b>	<b>136,998</b>

Exploration and evaluation costs of \$111,710 were incurred in maintaining the Group's exploration tenements. These costs were written off in the current period as the carrying value of exploration assets is measured at fair value within the Group's assets currently held for sale.

Service income relates to services provided to Artemis Resources Ltd to provide ongoing services at Fox Radio Hill Pty Ltd.

### 4. ASSETS CLASSIFIED AS HELD FOR SALE

		Consolidated	
		31 Dec 2017	30 Jun 2017
		\$	\$
<b>Movement in assets classified as held for sale</b>			
	Balance at beginning of year	2,200,000	5,608,731
	Reversal of impairment assets	-	1,300,000
		<b>2,200,000</b>	<b>6,908,731</b>
<b>Less:</b>			
	Sale of Fox Radio Hill Pty Ltd	-	(3,608,731)
	Sale of property, plant and equipment	-	(200,000)
	Cash received for sale of Bundaberg assets	-	(900,000)
		<b>2,200,000</b>	<b>2,200,000</b>

## 5. CONTRIBUTED EQUITY

	Consolidated	
	6 months to 31 Dec 2017	12 months to 30 Jun 2017
(a) Issued and paid up capital	\$	\$
Ordinary shares fully paid	125,976,992	125,976,992
(b) Movement in shares on issue		
	Number of Shares	\$
Balance at beginning of year	847,804,893	125,976,992
Total issued and paid-up capital	847,804,893	125,976,992

### (c) Share options

At 31 December 2017, there were nil (30 June 2017: nil) unissued ordinary shares in respect of which unlisted options were outstanding.

#### Unlisted options to subscribe to ordinary shares

	31 Dec 2017	30 Jun 2017
	Number of Options	Number of Options
Balance at beginning of period	-	4,000,000
Cancelled / Forfeited	-	(4,000,000)
Balance at end of period	-	-

## **6. EVENTS SUBSEQUENT TO 31 DECEMBER 2017**

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for \$0.9m.

Fox then signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive \$1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. As a result of the latest drilling program Fox's share increased by 16.5Mt of coking coal resource. The sale of the Bundaberg tenement EPC 1523 is dependent on the conditions precedent as detailed in the Sales Contract being completed by the 26 May 2019.

The Company sold a stacker for \$500,000 in April 2018. The stacker value was recognised in assets classified as held for sale as at 31 December 2017.

The Company settled a dispute on the 9 May 2018 with the Administrators appointed on behalf of Moultrie Geology Pty Ltd for services in relation EPC 1523.

## **7. SEGMENT INFORMATION**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis it is a mineral exploration company operating in the geographical region of Australia, mainly in Western Australia with additional tenements held in Queensland. The mineral assets held via outright ownership or joint ventures are considered one business. Decisions are made on a prospectivity basis, not a geographical or commodity basis.

## **8. RELATED PARTY INFORMATION**

### **Wholly-owned group transactions**

Controlled entities made payments and received funds on behalf of Fox Resources Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand; however, demand for repayment is not expected in the next twelve months.

### **Transactions with related parties**

All transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year the following transactions were entered into with related parties:

As at 31 December 2017, the Company owed Jungle Creek Gold Mines Pty Ltd, of which TEJ Streeter is a Director, \$6,169,265. The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including accrued interest) repayable as per the individual loan agreements and each loan is for twelve months. The total interest accrued to Jungle Creek Pty Ltd as at 31 December 2017 is \$2,253,030. Under the terms of the agreement, Jungle Creek Gold Mines Pty Ltd may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Jungle Creek Gold Mines Pty Ltd also had a security interest registered over the consolidated entity's Queensland coal tenements, this was discharged in November 2018. Jungle Creek Gold Mines Pty Ltd agreed to extend the loans outstanding at 31 December 2017 (\$6,169,265) and to continue to defer repayment of the loan until there are surplus funds available to repay the loans, and interest.

The Company has entered into an agreement with Zashvin Pty Ltd in March 2013 to which Zashvin made advances totalling \$360,000 of which \$140,000 was repaid. The terms of the loans are that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report. Zashvin Pty Ltd is a major shareholder of Fox Resources Limited. The total balance at 30 June 2017 including interest was \$297,712. The loan subsequently settled in full for \$220,000 in September 2018.

The Company entered into an agreement with R & D White & Associates Pty Ltd in July 2012 to which R & D White loaned a total of \$25,000. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans and interest have all been repaid in full by the 31 December 2017.

The Company entered into an agreement with Garry East in August 2014 to which G East loaned a total of \$150,000. The Company entered into various agreements with Mr East, pursuant to which G East loaned an additional total of \$93,146 (2015), \$261,739 (2016) and \$35,000 (2017). The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 31 December 2017 including interest being \$667,512. Mr East may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

The company entered into an agreement with Bruce Garlick in July 2015 to which B Garlick loaned a total of \$250,000. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 31 December 2017 including interest being \$298,958. Mr. Garlick may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

**Other related party transactions:**

At 31 December 2017, the following amounts were payable to directors and ex directors for directors' fees:

T E J Streeter: \$942,979 (\$861,168 relates to director fees; \$81,811 relates to superannuation contribution).

R White: \$102,577 (\$93,721 relates to director fees; \$8,856 relates to superannuation contribution). Resigned 2/10/2013).

G East: \$317,325 (\$289,794 relates to director fees; \$27,531 relates to superannuation contribution).

B M Garlick: \$256,069 (\$233,853 relates to directors fees; \$22,216 relates to superannuation contribution).

L da' Silva: \$20,341 (\$17,730 relates to directors fees; \$2,611 relates to superannuation contribution).

There were no other related party transactions during the year.

## **9. GOING CONCERN**

This financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 31 December 2017 the Group has reported a profit after tax for the period of \$1,613,273, net cash outflows from activities of 463,853 and a net deficit position of \$3,411,718.

Directors and any associated director-related entities have continued to financially support the Group from the reporting date until the date of signing this financial report. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed \$6,169,265 as at 31 December 2017. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for \$1.2 million in Artemis shares from the Artemis sale agreement plus \$250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017.

As at 31 December 2017 the Group holds \$55,229 cash on hand. The Group is committed to payments to maintain its rights over its exploration assets. As a result the Group has and expects further cash outflows from operating and investing activities in the next financial period. The Directors are satisfied that additional working capital has and will be secured as required and that it is appropriate to prepare the financial statements on a going concern basis based on the following:

- Fox as at 31 December 2017 held 8.52 million shares in ASX listed entity Artemis Resources Ltd and 4.725 million shares in St George. These shares resulted from the sale of Fox Radio Hill Pty to Artemis Resources Ltd. The market value of these shares as at 31 December 2017 is \$3,462,675, and have been progressively sold to fund working capital. The remaining shares are valued at approximately \$782,000 at the date of signing this report;
- Fox signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive between \$1,775,000 and \$1,906,950 in cash or between 8,875,000 and 9,534,750 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. The sale of EPC 1523 is dependent on the conditions precedent as detailed in the Sales Contract being completed by 27 May 2019
- Forecast cash flows through to April 2020 support Fox being able to meet its debts as and when they fall due on the basis on the agreements outlined above; and
- The Group's historical track record of being able to secure additional working capital as and when required.
- Mr. Streeter and Jungle Creek Gold Mines Pty Ltd was owed a total of \$7,112,244 for director related services and loans at the balance date of this report. Mr. Streeter will continue to support the Group and will not require repayment of this amount at the prejudice of creditors and then only if the Group has sufficient surplus cash available. Further at balance date of this report there is an amount of \$1,539,863 included in current liabilities which is payable to other directors. These directors have confirmed that repayment of these amounts is only required when the Group has sufficient surplus cash available. In August 2018 Mr. Streeter, Mr. East, and Mr. Garlick were each paid \$100,000 from the proceeds of the sale of the stacker. Further the Board has agreed to repay Mr. East \$100,000, and Mr. Garlick \$150,000 when the share price of the Company's investment shares (Note 5) reaches agreed market values.

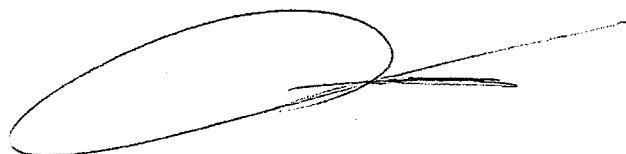
In the event that the Group is unable to raise additional working capital, if required, or the value of the shares described above materially decreases in value and the sale of EPC 1523 is not completed as detailed above, there is significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern. The financial statements do not include adjustments relating to the recoverability and classification of the recorded assets amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

## **DIRECTORS' DECLARATION**

In the opinion of the Directors of Fox Resources Ltd:

1. The consolidated financial statements and notes of Fox Resources Ltd are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
  - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting; 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:



**TERRY STREETER**  
**NON-EXECUTIVE CHAIRMAN**

Dated: 8 April 2019





# Independent Auditor's Review Report

To the Members of Fox Resources Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of Fox Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 31 December 2017, and the consolidated condensed statement of profit or loss and other 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 description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Fox Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

## Material uncertainty related to going concern

We draw attention to Note 9 in the financial report, which indicates that the Group incurred a cash outflows of \$463,853 during the half year ended 31 December 2017 and, as of that date, the Group's total liabilities exceeded its total assets by \$3,411,718. As stated in Note 9, these events or conditions, along with other matters as set forth in Note 9, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## 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.

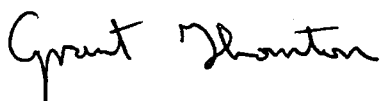
#### Auditor's responsibility

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 Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fox Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

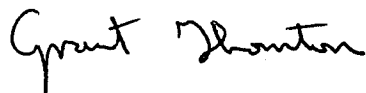
Perth, 8 April 2019

## Auditor's Independence Declaration

To the Directors of Fox Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Fox Resources Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 8 April 2019

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