African Energy Resources Limited
ARBN 123 316 781

Interim Financial Statements
for the six months ended
31 December 2018

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Interim Financial Statements - 31 December 2018

Your Directors present their report on the consolidated entity consisting of African Energy Resources Limited ("African Energy" or the "Company") and the entities it controlled at the end, or during, the half-year ended 31 December 2018 ("Consolidated Entity").

DIRECTORS

Mr Alasdair Cooke	Executive Chairman
Dr Charles (Frazer) Tabeart	Executive Director - investor relations and business development
Mr Gregory (Bill) Fry	Executive Director - commercial
Mr Valentine Chitalu	Non-Executive Director
Mr Vincent (Ian) Masterton-Hume	Non-Executive Director
Mr John Dean	Non-Executive Director

REVIEW OF OPERATIONS

The Consolidated Entity's core business remains the development of Sese Coal to Power Project ("Sese" or Sese JV) in Botswana, in which it holds a 35% interest. First Quantum Minerals Ltd. (FQM) owns 65% of Sese JV. Technical studies at Sese have been completed to at least PFS level and most permits and agreements executed with final tasks for full project permitting in progress.

During the half-year ended 31 December 2018, the Company:

- Continued to assist FQM with a number of commercial and permitting activities related to the development of Sese as an exporter of power to FQM's Zambian copper operations;
- Updated resource estimate for Mining Licence area prepared to JORC (2012) and NI 43-101 standard. Global resource estimate for Sese now stands at 2,418Mt of thermal coal in Measured, Indicated and Inferred categories;
- A mining reserve statement for the SS Seam within the proposed mining area is being prepared using the updated resource estimate and information from First Quantum's in-house mining feasibility study; and
- Significant progress made on the Resettlement Action Plan (RAP) at Sese, with over half of the asset owners having received full compensation for their assets and have left the surface rights area.

The Company's focus is to:

- Secure access to transmission systems to transmit power from Sese to FQM's Zambian operations in the Copperbelt;
- Continue negotiations with other credit-worthy offtakers for the balance of power available from Sese;
- Pursue development opportunities for its Mmamabula West coal project and continues to support TM Consulting as the potential developer and buyer of the Mmamantswe coal to power project, both of which are suitable for supply into South Africa's 3,750MW Coal-Fired Independent Power Project Procurement Program; and
- Evaluate new project opportunities for base and precious metals projects that are deemed to have the potential to add to shareholder value.

At 31 December 2018, the Consolidated Entity had cash reserves of US$2.32M (30 June 2018: US$2.30M).

EVENTS OCCURRING AFTER REPORTING PERIOD

No matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page 7 and forms part of the Directors' report for the half year ended 31 December 2018.

Charles Frazer Tabeart
Executive Director
15 March 2019

The opinion of the directors of African Energy Resources Limited:

a. The financial statements and notes set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:

   i. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

   ii. Complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

b. There are reasonable grounds to believe that African Energy Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Charles Frazer Tabeart
Executive Director
15 March 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of African Energy Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of African Energy Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

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

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 15 March 2019

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AFRICAN ENERGY RESOURCES LIMITED

As lead auditor for the review of African Energy Resources Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of African Energy Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2018

	Note	31-Dec-18 US$	Restated 31-Dec-17 US$
Gain on sale of Zambian Uranium Project		-	503,477
Loss on derivative		(92,494)	-
Share based payment expense / reversal		(17,039)	95,068
Salaries and employee benefits expense		(123,390)	(324,927)
Administration and other corporate expenses		(61,276)	(149,787)
Exploration & evaluation expensed		(59,156)	(47,891)
Share of net loss in Sese Joint Venture	6	(201,499)	(216,837)
Interest received		23,248	32,943
Foreign currency gain / (loss)		(45,388)	11,485
Loss before tax		(576,994)	(96,469)
Income tax expense		-	-
Loss after tax for the half year		(576,994)	(96,469)
Attributable to:			
Equity holders of the Company		(576,994)	(96,469)
Loss for the half year		(576,994)	(96,469)
Other comprehensive income			
Other comprehensive items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)	5	(137,733)	140,601
Other comprehensive items that may be reclassified to profit or loss			
Foreign currency translation reserve		(102,235)	47,170
Total other comprehensive income / (loss) for the half year		(239,968)	187,771
Total comprehensive income / (loss) attributable to the ordinary equity holders of the Company:			
Total comprehensive (loss) for the half year		(816,962)	91,302
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)		(0.09)	(0.02)

Refer Note 3 for details regarding the restatement as a result of a change in accounting policy.

The above consolidated statement should be read in conjunction with the accompanying notes.

AFRICAN ENERGY RESOURCES LIMITED

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31-Dec-18 US$	30-Jun-18 US$
Assets			
Current assets			
Cash & cash equivalents		2,317,798	2,300,244
Financial assets at FVOCI	5	603,943	1,147,930
Derivative asset		89,493	181,987
Trade & other receivables		40,012	37,252
Total current assets		3,051,246	3,667,413
Non current assets			
Investment in Sese Joint Venture	6	7,100,035	7,301,534
Property, plant & equipment		-	26
Exploration & evaluation	3	2,500,000	2,500,000
Total non-current assets		9,600,035	9,801,560
Total assets		12,651,281	13,468,973
Liabilities			
Current liabilities			
Trade & other payables		66,120	83,889
Total current liabilities		66,120	83,889
Total liabilities		66,120	83,889
Net assets		12,585,161	13,385,084
Equity			
Contributed equity	4	64,134,977	64,134,977
Reserves		(179,300)	25,852
Retained earnings (Accumulated losses)		(51,370,516)	(50,775,745)
Total equity attributable to shareholders of the Company		12,585,161	13,385,084

The above consolidated statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2018

	Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Other Comprehensive Income Reserve (FVOCI)	Share-Based Payments Reserve	Total equity
For the half-year ended 31 December 2018	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Opening balance 1 July 2018	64,134,977	(50,775,745)	(5,180,211)	(9,223)	5,215,286	13,385,084
Net loss for the period	-	(576,994)	-	-	-	(576,994)
Other Comprehensive loss						
Effect of translation of foreign operations to group presentation currency	-	-	(102,235)	-	-	(102,235)
Movement in fair value of financial assets at FVOCI	-	(17,777)	-	(119,956)	-	(137,733)
Total comprehensive income (loss) for the period	**-**	**(594,771)**	**(102,235)**	**(119,956)**	**-**	**(816,962)**
Transactions with owners in their capacity as owners:						
Issue of new shares	-	-	-	-	-	-
Employee performance rights and options	-	-	-	-	17,039	17,039
Equity settled share-based payment transactions	-	-	-	-	-	-
	-	-	-	-	17,039	17,039
Balance at 31 December 2018	**64,134,977**	**(51,370,516)**	**(5,282,446)**	**(129,179)**	**5,232,325**	**12,585,161**
For the half-year ended 31 December 2017 - Restated						
Opening balance 1 July 2017	63,109,911	(46,762,567)	(5,040,969)	-	5,292,988	16,599,363
Net loss for the period	-	(96,469)	-	-	-	(96,469)
Other Comprehensive loss						
Effect of translation of foreign operations to group presentation currency	-	-	47,170	-	-	47,170
Movement in fair value of financial assets at FVOCI	-	-	-	140,601	-	140,601
Total comprehensive income (loss) for the period	**-**	**(96,469)**	**47,170**	**140,601**	**-**	**91,302**
Transactions with owners in their capacity as owners:						
Employee performance rights and options	-	-	-	-	(95,068)	(95,068)
Equity settled share-based payment transactions	-	-	-	-	-	-
	-	-	-	-	(95,068)	(95,068)
Balance at 31 December 2017	**63,109,911**	**(46,859,036)**	**(4,993,799)**	**140,601**	**5,197,920**	**16,595,597**

Refer Note 3 for details regarding the restatement as a result of a change in accounting policy.

The above consolidated statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2018

	31-Dec-18 US$	Restated 31-Dec-17 US$
Cash flows from operating activities		
Cash paid to suppliers and employees	(213,341)	(495,525)
Payment for exploration and evaluation expenditure	(63,240)	(43,833)
Interest received	16,780	44,780
Net cash used in operating activities	(259,801)	(494,578)
Cash flows from investing activities		
Receipts from sale of listed investments	429,615	-
Acquisitions of Shares in Caravel Minerals	(29,167)	-
Net cash from in investing activities	400,448	-
Cash flows from financing activities		
Issue of shares	-	1,089,179
Net cash from financing activities	-	1,089,179
Net increase in cash and cash equivalents	140,647	594,601
Cash and cash equivalents at 1 July	2,300,244	2,621,783
Effect of exchange rate fluctuations on cash held	(123,093)	11,276
Cash and cash equivalents at 31 December	2,317,798	3,227,660

Refer Note 3 for details regarding the restatement as a result of a change in accounting policy.

The above consolidated statement should be read in conjunction with the accompanying notes.

1. Basis of Preparation

1.1 Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Consolidated Entity also complies with IFRSs and interpretations as issued by the International Accounting Standards Board. African Energy Resources Limited is a for-profit entity for the purposes of preparing financial statements.

The financial report was authorised for issue by the Directors on 15 March 2019.

1.2 Basis of measurement

The financial report is prepared under the historical cost convention.

1.3 Functional and presentation currency

These consolidated financial statements are presented in US dollars ('US$').

The functional currency of the Company and each of the operating subsidiaries is US$ which represents the currency of the primary economic environment in which the Company and each of the operating subsidiaries operates.

Subsidiaries denominated in Australian dollars ('AU$') are translated at the closing rate on reporting date. Profit and loss items are translated on the prevailing rate on the date of transaction.

1.4 Going concern

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

1.5 Reporting entity

African Energy Resources Limited (referred to as the 'Parent Entity' or the 'Company') is a Guernsey registered company domiciled in Australia. The consolidated financial statements of the Company as at and for the half-year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or the 'Group').

1.6 Use of estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 – Exploration & evaluation expenditure - If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Profit or Loss and other Comprehensive Income.
- Note 6 – Investments in Associates – The carrying value of investments in associates are assessed for impairment indicators in accordance with AASB 128 Investments in Associates and Joint Ventures. In the event an impairment indicator is identified the investment would then be tested for impairment in accordance with AASB 136 Impairment of Assets. The Group has not identified any impairment indicators in relation to the investment for the period ended 31 December 2018.
- Share-based payments arrangements - The Group values options issued at fair value at the grant date using the binomial option pricing model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option. Performance rights are valued at face value of the share on the date of issue. At each reporting period management assess the probability of the vesting of options and performance rights where applicable

in accordance with AASB 2 – Share based payments (non-market conditions). The probability is assessed to either be less likely or more likely (0% or 100%) and a vesting expense is recorded accordingly.

2. Segment information

For the period ended 31 December 2018	Power Development Projects	Power Investments	Other segments	Consolidated
	US$	US$	US$	US$
(Loss) before income tax	(59,156)	(201,499)	(316,339)	(576,994)
Segment Assets at 31 December 2018				
Investment in Sese IPP	-	7,100,035	-	7,100,035
Exploration and evaluation	2,500,000	-	-	2,500,000
Financial Assets at FVOCI	-	-	603,943	603,943
Derivative Asset	-	-	89,493	89,493
Cash and short term receivable	-	-	2,357,810	2,357,810
Total Segment Assets	**2,500,000**	**7,100,035**	**3,051,246**	**12,651,281**
Segment Liabilities at 31 December 2018				
Trade & other payables	-	-	66,120	66,120
Total Segment Liabilities	**-**	**-**	**66,120**	**66,120**
For the period ended 31 December 2017 - Restated				
(Loss) before income tax	(47,891)	(216,837)	168,259	(96,469)
Segment Assets at 30 June 2018				
Investment in Sese IPP	-	7,301,534	-	7,301,534
Property, plant and equipment			26	26
Exploration and evaluation	2,500,000	-	-	2,500,000
Financial Assets at FVOCI	-	-	1,147,930	1,147,930
Derivative Asset	-	-	181,987	181,987
Cash and short term receivable	-	-	2,337,496	2,337,496
Total Segment Assets	**2,500,000**	**7,301,534**	**3,667,439**	**13,468,973**
Segment Liabilities at 30 June 2018				
Trade & other payables	-	-	83,889	83,889
Total Segment Liabilities	**-**	**-**	**83,889**	**83,889**

The Company's main activity is development of coal to power projects in southern Africa. Power investments related to the Company's minority interest in Sese Power Project.

3. Reconciliation of Exploration & Evaluation Expenditure

	31-Dec-18	30-Jun-18
	US$	US$
Balance at the beginning of the period	2,500,000	5,900,172
Additions	-	-
Impairments	-	(3,396,842)
Effect of movements in foreign exchange	-	(3,330)
Carrying amount at end of period	2,500,000	2,500,000

3.1 Change of Accounting policy

This financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relation to exploration and evaluation expenditure in accordance with standard AASB 6 Exploration and Evaluation of Mineral Resources.

Previously, the Group capitalised, accumulated exploration and evaluation expenditure and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment or the existence or economically recoverable reserves. The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each Identifiable area of interest until a time where an asset Is In development

The Board have determined that the change in accounting policy will result in more relevant and no less reliable information as the policy Is more transparent and less subjective. Recognition criteria or exploration and evaluation assets are Inherently uncertain and expensing as incurring results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement or Profit & Loss and Other Comprehensive income.

Furthermore, the change in policy aids in the accountability of line management's expenditure and the newly adopted policy is consistent with industry practice.

The following table summarises the adjustments made to the Consolidated Statement or Profit & Loss and Other Comprehensive income on implementation of the new accounting policy. The Impact to the Consolidated Statement of Financial Position was disclosed in the 30 June 2018 Annual Report.

	For the period ended 31-Dec-17 US$
Increase in loss for the period	47,891
Previously reported - basic and diluted loss per share	(0.02)
Restated - basic and diluted loss per share	(0.02)

Due to the change in accounting policy, previously disclosed investing cash flows in relation to capitalised exploration and evaluation expenditure are now restated as an operating cash flow (31 December 2017: $43,833 payment for exploration and evaluation expenditure).

4. Equity

4.1 Contributed Equity

	Date	**Number of shares**	**Issue Price US$ cents**	**US$**
Balance 30 June 2017		608,496,715		63,109,911
Share Placement to First Quantum Minerals	14 Aug 2017	17,692,308	6.2	1,089,179
Share Buyback	30 Jun 2018	(3,698,394)	1.7	(64,113)
Balance 30 June 2018		622,490,629		64,134,977
Balance 31 December 2018		622,490,629		64,134,977

4.2 Options on issue

As at 31 December 2018 the group had the following options on issue. All options vest upon an irrevocable commitment to a power purchase agreement at Mmamabula West.

Directors and Staff Options (6c strike expiring Sep 2019)	10,875,000
	10,875,000

4.3 Performance Rights on issue

As at 31 December 2018 the group had the following performance rights on issue. All performance rights vest upon the achievement of outcomes at the Group's coal to power projects as detailed in the 30 June 2018 Annual Report.

Directors and Staff (expire 27 Nov 2019)	5,466,667
Directors and Staff (expire 31 Dec 2019)	1,566,667
Directors and Staff (expire 1 Apr 2020)	500,000
	7,533,334

5. Financial assets at FVOCI

	Caravel Shares	Goviex Shares	Total
Balance at 1 July 2017	-	-	-
Additions	704,013	461,498	1,165,511
Movement in Fair Value of Financial assets at FVOCI	(26,667)	17,454	(9,223)
Disposals	-	(8,358)	(8,358)
Carrying amount at 30 June 2018	677,336	470,594	1,147,930
Additions	29,020	-	29,020
Movement in Fair Value of Financial assets at FVOCI	(102,413)	(35,320)	(137,733)
Disposals	-	(435,274)	(435,274)
Carrying amount at 31 December 2018	603,943	-	603,943

6. Investments in Associates

	31-Dec-18 US$	30-Jun-18 US$
Balance at the beginning of the period	7,301,534	8,056,900
Movement on renegotiation of Sese JV terms	-	(471,527)
Share of losses after income tax	(201,499)	(283,839)
Balance at the end of the period	7,100,035	7,301,534

	Ownership interest		Company's share of:		
		Assets	Liabilities	Revenues	Losses
	%	US$	US$	US$	US$
Sese JV	35%	5,295,017	1,648,175	-	(201,499)

7. Related Party Transactions

There have not been any changes to transactions with related parties in the consolidated entity since the last reporting date (30 June 2018).

8. Dividends

No dividends were paid by the consolidated entity (June 2018: nil).

9. Commitments & Contingencies

There have not been any material changes to contingencies in the consolidated entity since the last reporting date (30 June 2018).

10. Events Occurring After Reporting Period

No matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

11. New and Amended Standards Adopted by the Group

This note explains the changes in the Group's accounting policies as a result of the adoption of AASB 9 Financial instruments and AASB 15 Revenue from Contracts with Customers, however the prior year financial statements did not have to be restated as a result.

11.1 AASB 9 Financial Instruments

AASB 9 Financial Instruments ("AASB 9") AASB 9 replaces the provisions of AASB 139 Financial Instruments: Measurement and Recognition ("AASB 139") that relate to the recognition, classification and measurement of financial assets and liabilities, recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. The new accounting policies are set out below. Transitional adjustments were however required, as set out below, which were recognised on 1 July 2018, in accordance with the transitional provisions of AASB 9.

Impact of adoption

Classification and measurement of financial assets

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

	Measurement Category		Carrying Value		
			Original	New	Difference
Financial Assets	**Original (AASB 139)**	**New (AASB 9)**	**$**	**$**	**$**
Financial Assets at FVOCI	Available-for-sale	FVOCI	603,943	603,943	-
Derivative Asset	FVPL	FVPL	89,493	89,493	-
Trade & other receivables	Amortised cost	Amortised cost	40,012	40,012	-

Impact on statement of financial position (Financial Assets)

As a result of the adoption of AASB 9, assets with a fair value of $603,943 were reclassified from available-for-sale financial assets, to financial assets at FVOCI in the statement of financial position.

The adoption of AASB 9 on the Group's trade and other receivables did not have a material impact.

The following tables show the above noted adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Consolidated statement of financial position (condensed extract)	30-Jun-18 $	AASB 9 $	01-Jul-18 $
Financial Assets			
Financial assets at fair value through other comprehensive income	-	1,147,930	1,147,930
Available-for-sale financial assets	1,147,930	(1,147,930)	-

Impact on statement of financial position (Equity)

There was no impact on the Group's Accumulated Losses and Reserves as at 1 July 2018.

AASB 9 - Accounting policies applied from 1 July 2018

Investments and other financial assets

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 July 2018, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

11.2 AASB 15 Revenue from Contracts with Customers ("AASB 15")

The adoption of AASB 15 resulted in no impact, or changes in accounting policies.

12. New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting period. The Group's assessment of the impact of these new standards and interpretations that may have impact on the Group is set out below:

12.1 AASB 16 Leases

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. The Group has not yet determined the impact of the Group accounts, however it is likely that the impact will be immaterial. This standard is not applicable until the financial year commencing 1 July 2019.