



AND CONTROLLED ENTITIES
ABN 15 074 728 019

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018

For personal use only

TABLE OF CONTENTS

CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
DIRECTORS' DECLARATION.....	8
INDEPENDENT AUDITOR'S REVIEW REPORT	9
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	13
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	14
CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS.....	15

For personal use only

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Josh Puckridge
Mrs Loren King
Mr Maciej Rosiewicz

Non-Executive Chairman
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Mr Quinton Meyers

REGISTERED OFFICE

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

PRINCIPAL PLACE OF BUSINESS

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

POSTAL ADDRESS

PO Box 866
Subiaco WA 6904

CONTACT INFORMATION

+61 8 6489 1600 (Telephone)
+61 8 6489 1601 (Facsimile)

www.blazelimited.com.au

EXCHANGE

Australian Securities Exchange (ASX)

Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: BLZ

AUDITORS

HLB Mann Judd

Level 4
130 Stirling Street
Perth WA 6000

LAWYERS

Steinepreis Paganin

Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

SHARE REGISTRY

Automic Share Registry

Level 2
267 St Georges Terrace
Perth WA 6000

1300 288 664 (Local)
+61 2 9698 5414 (International)

www.automic.com.au

For personal use only

DIRECTORS' REPORT

The Directors of Blaze International Limited (**BLZ**) (**Company**) (**Blaze**) hereby submit the financial report of the Company, and its controlled entities (**Group**) for the six (6) months ending, 31 December 2018 (**Report**) (**Period**). Members of the Company, and potential investors of the Company, should review all announcements made to the Australian Securities Exchange (**ASX**) prior to reading, or relying on in any way, this Report.

DIRECTORS

The names of the Directors in office at any time during, or since the end of the half-year and until the date of this report are:

Mr Josh Puckridge	Non-Executive Chairman
Mrs Loren King	Non-Executive Director
Mr Maciej Rosiewicz	Non-Executive Director

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

COMPANY SECRETARY

Mr Quinton Meyers (Appointed 31 October 2018)
Mrs Loren King (Resigned 31 October 2018)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial period was mineral exploration within Australia.

No significant change in the nature of these activities occurred during the financial period.

OPERATING RESULTS

The loss of the Group for the period after income tax amounted to \$363,905 (2017: \$244,771).

REVIEW OF OPERATIONS

During the Period, the Company assessed multiple opportunities in keeping with the Company's historic activities of natural resources exploration. The Company, in part, focused its efforts by assessing and reviewing exploration opportunities for Gold in the West, Central and East Pilbara.

The Company has, and continues to, assess the merits of acquiring pre-existing natural resources projects and has also made new exploration tenement applications in its own right. The Company maintains positive expectations for its ability to deliver shareholder value within the remainder of FY19.

Currently, the Company holds a number of exploration tenements in the Murchison district of Western Australia. These include the Thundelarra Project (E59/2120) and the Kirkalocka Project (E59/2280 and E59/2330). The Kirkalocka Project and Thundelarra Projects are located approximately 60km south of Mount Magnet with the Kirkalocka project being 20km north of the Kirkalocka Gold Mine within the Wydgee-Meekatharra Greenstone Belt (see Figure 1 below).

DIRECTORS' REPORT (CONTINUED)

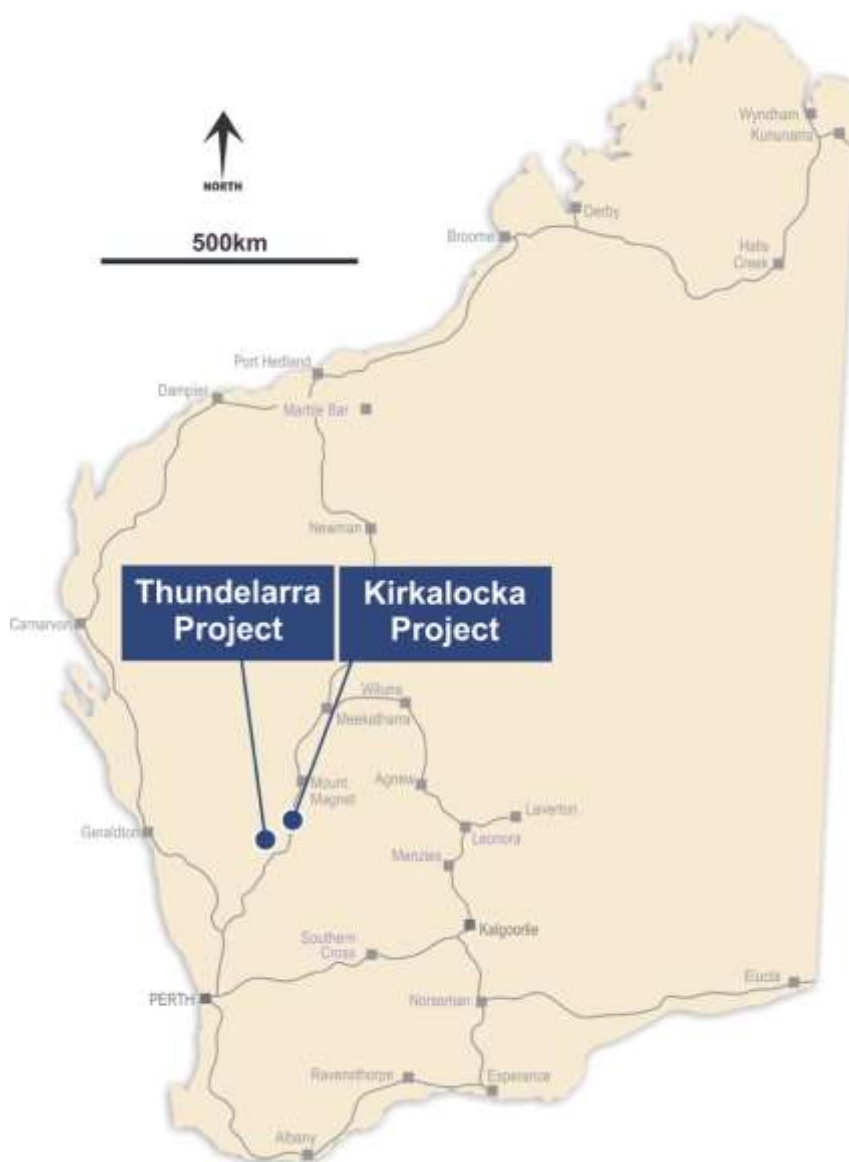


Figure 1. Location of Kirkalocka (E59/2280 and E59/2330) and Thundelarra (EL52/2120)

During the Period, the Company materially expanded its strategic landholding in the Kirkalocka area, covering some of the most prospective areas of the regionally significant Wydgee-Meekatharra Greenstone Belt. The Company achieved this through entering in to an option to purchase agreement with Iron Clad Prospecting Pty Ltd over tenements E59/2310 and E59/2309 (**Iron Clad Tenements**) and has assumed the rights over an option to acquire two additional tenements in E59/2237 and E59/2249 (**Beau Resources Tenements**) in the Kirkalocka area (see Figure 2).

The Beau Resources tenements extend over 7.5km of the greenstone sequence that has been folded into a south plunging syncline. The western limb of the syncline has been truncated by a north-south fault. A historical shaft called Wydgee West, is located to the west of this fault confirming the presence of gold mineralisation. The fold structure in the southern extent of the belt shows some geological similarities to some of the gold deposits of the Mt Magnet mining centre, located approximately 70km north of Kirkalocka, being exploited by Ramelius Resources (ASX:**RMS**). Future work will examine these similarities in more detail and the Company will advise the market in due course.

DIRECTORS' REPORT (CONTINUED)

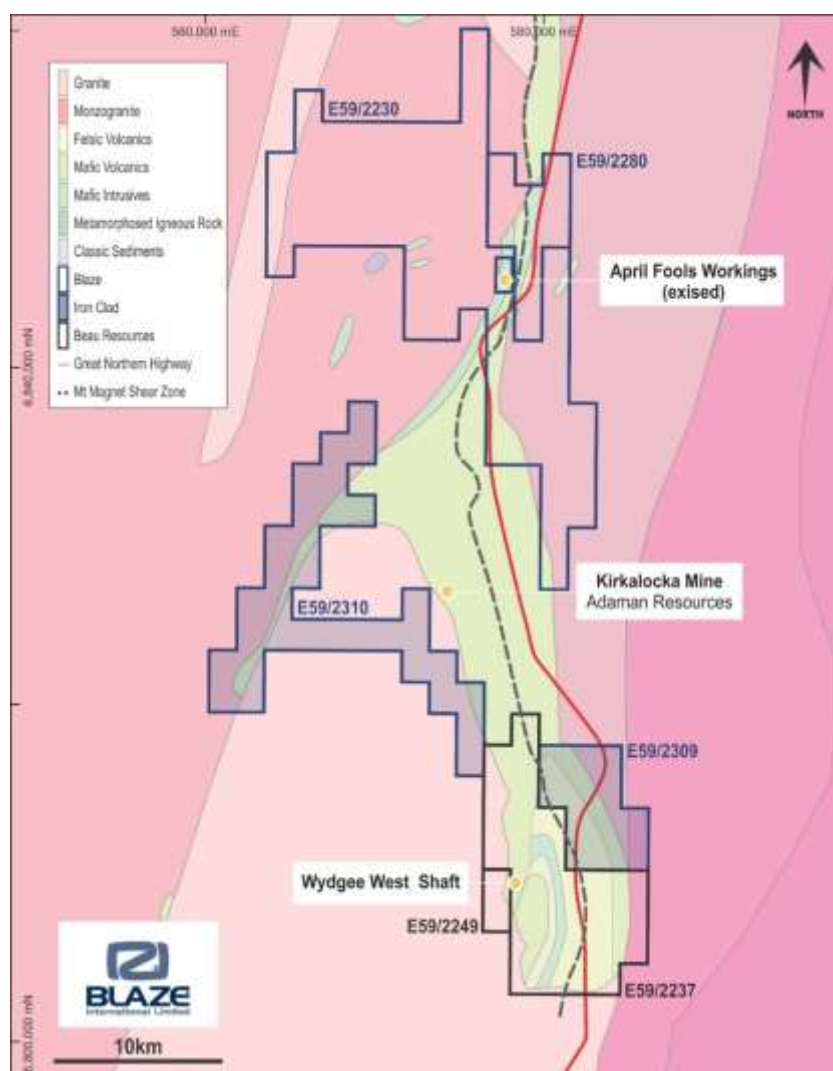


Figure 2. The Iron Clad and Beau Resources tenements over the Wydgee-Meekatharra Greenstone Belt. Note that the Kirkalocka Mine and the April Fools working are not within Blaze's tenure.

The Iron Clad tenements cover the eastern portion of the greenstone sequence to the north east of the Beau Resources tenements, which contains the regionally significant Mt Magnet shear, an area adjacent to the Kirkalocka gold mine (owned by Adamam Resources; currently on care and maintenance) and the south-west extension of the greenstone belt. The structural setting, lithology and location of the Mt Magnet shear zone highlights the prospectivity of the Iron Clad Tenements for gold mineralisation.

The Company continues its review of both the Kirkalocka and Thundelarra Projects and will update the market as required in regard to developing the Company's strategy for its exploration.

BUSINESS DEVELOPMENT

The Company is assessing project(s) for acquisition in the interests of creating shareholder value. All discussions remain incomplete, non-binding and confidential. The Company will update the market accordingly to any progress.

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S DECLARATION OF INDEPENDENCE

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 7 and forms part of this Directors' Report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of the Directors.



Josh Puckridge

Non-Executive Chairman

Dated this 15th day of March 2019

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Blaze International Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
15 March 2019

D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

For personal use only

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Blaze International Limited (the 'Company'):
 - a. the accompanying interim financial statements and notes are 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 performance for the half-year then ended; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2018.

This declaration is signed in accordance with a resolution of the board of Directors.



Josh Puckridge

Non-Executive Chairman

Dated this 15th day of March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Blaze International Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Blaze International Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 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*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

For personal use only

Independence

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
15 March 2019**

D I Buckley

**D I Buckley
Partner**

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2018

		Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
	Note		
Continuing operations			
Interest income		1,086	3,578
Accounting and audit fees		(22,509)	(28,199)
Administration expenses		(60,000)	(60,000)
Corporate compliance costs		(34,582)	(27,382)
Consultants fees		(120,095)	(6,000)
Depreciation		(7,810)	(32,722)
Director fees, salaries and superannuation		(51,000)	(58,000)
Exploration expenditure written off		-	(948)
Legal fees		6,159	(25,341)
Other expenses from ordinary activities		(15,027)	(9,757)
Fair value loss on equity investments		(60,127)	-
Loss before income tax expense		(363,905)	(244,771)
Income tax (benefit)/expense		-	-
Loss for the period from continuing operations		(363,905)	(244,771)
Other comprehensive income		-	-
Total comprehensive loss for the period		(363,905)	(244,771)
Earnings/(loss) per share			
Basic loss per share (cents per share)	3	(0.18)	(0.19)
Diluted loss per share (cents per share)	3	(0.18)	(0.19)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
Current assets			
Cash and cash equivalents		2,760,939	3,159,087
Trade and other receivables		51,936	55,498
Other financial assets		98,000	158,127
Total current assets		2,910,875	3,372,712
Non-current assets			
Plant and equipment		21,643	29,453
Deferred exploration and evaluation expenditure	4	2,908,504	2,804,995
Total non-current assets		2,930,147	2,834,448
Total assets		5,841,022	6,207,160
Liabilities			
Current liabilities			
Trade and other payables		19,022	21,255
Current tax liability		208,430	208,430
Total current liabilities		227,452	229,685
Total liabilities		227,452	229,685
Net assets		5,613,570	5,977,475
Equity			
Issued capital	6	41,766,347	41,766,347
Reserves		2,497,432	2,497,432
Accumulated losses		(38,650,209)	(38,286,304)
Total equity		5,613,570	5,977,475

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2018

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017	36,541,893	989,745	(36,124,602)	1,407,036
Loss for the period	-	-	(244,771)	(244,771)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(244,771)	(244,771)
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2017	36,541,893	989,745	(36,369,373)	1,162,265
Balance at 1 July 2018	41,766,347	2,497,432	(38,286,304)	5,977,475
Loss for the period	-	-	(363,905)	(363,905)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(363,905)	(363,905)
Shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Balance at 31 December 2018	41,766,347	2,497,432	(38,650,209)	5,613,570

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2018

	Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
Cash flows from operating activities		
Payments to suppliers and employees	(295,725)	(211,194)
Interest received	1,086	3,578
Net cash used in operating activities	(294,639)	(207,616)
Cash flows from investing activities		
Payments for exploration and evaluation	(103,509)	(15,948)
Net cash used in investing activities	(103,509)	(15,948)
Net (decrease)/increase in cash and cash equivalents	(398,148)	(223,564)
Cash and cash equivalents at the beginning of the half year	3,159,087	1,318,381
Cash and cash equivalents at the end of the half-year	2,760,939	1,094,817

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes, which form an integral part of the interim financial report.

For personal use only

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 31 December 2018

1. BASIS OF PREPARATION

1.1. BASIS OF PREPARATION

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Blaze International Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

1.2. STATEMENT OF COMPLIANCE

The interim financial statements were authorised for issue on 15 March 2019.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (**IFRS**).

1.3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact (if any) of the new and revised standards effective 1 July 2018 as outlined in section 1.5. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

1.4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

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 2018.

1.5. NEW AND REVISED ACCOUNTING STANDARDS

1.5.1. STANDARDS AND INTERPRETATIONS APPLICABLE TO 31 DECEMBER 2018

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2018.

As a result of this review, the company has applied AASB 9 from 1 July 2018. Due to the transition methods chosen by the Group in applying AASB 9 comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standard.

AASB 9 'Financial Instruments'

AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value. Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (**FVOCI**). Previously classified available-for-sale investments now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years. The impairment recognised on equity investments for the 30 June 2018 year would have been disclosed as a fair value loss on the equity investments. The carrying amount at fair value is unaffected.

For personal use only

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

1.5.1. STANDARDS AND INTERPRETATIONS APPLICABLE TO 31 DECEMBER 2018 (CONT'D)

Other than the above, the Directors have determined that there is no material impact of the other new and revised Standards and interpretations on the Company and therefore, no material change is necessary to the Group accounting policy.

1.5.2. STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

1.6. GOING CONCERN

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

2. SEGMENT REPORTING

The Group has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports.

During the period, the Group operated predominantly in one segment being the mineral exploration sector in Western Australia. Accordingly, under the 'management approach' outlined above only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

3. EARNINGS PER SHARE

3.1. BASIC AND DILUTED EARNINGS PER SHARE

From continuing operations

Basic loss per share (cents per share)
Diluted loss per share (cents per share)

CONSOLIDATED	
SIX MONTHS TO 31 DEC 2018	SIX MONTHS TO 31 DEC 2017
No.	No.
(0.18)	(0.19)
(0.18)	(0.19)

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

3.2. EARNINGS

CONSOLIDATED	
SIX MONTHS TO 31 DEC 2018	SIX MONTHS TO 31 DEC 2017
\$	\$

Loss from continued operations used in the calculation of basic earnings per share

(363,905) (244,771)

3.3. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

CONSOLIDATED	
SIX MONTHS TO 31 DEC 2018	SIX MONTHS TO 31 DEC 2017
\$	\$

Weighted average number of ordinary shares for the purpose of basic earnings per share

207,286,596 127,013,264

4. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

CONSOLIDATED	
SIX MONTHS TO 31 DEC 2018	YEAR TO 30 JUN 2018
\$	\$
Expenditure brought forward	-
Expenditure incurred during the period ⁽ⁱ⁾	149,462
Share consideration for Kirkalocka Project	2,655,533
Expenditure written off during period	-
Expenditure carried forward	-
2,908,504	2,804,995

(i) On 22 February 2019, the Company exercised two separate options to acquire four tenements; E59/2310, E59/2309, E59/2237 and E59/2249. The entry into the option agreements and their terms are outlined in the announcement made on 23 December 2018, 'Blaze Acquires Options Over Further Kirkalocka Ground'.

The ultimate recoupment of the mining tenements, exploration and evaluation expenditure carried forward is dependent upon the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

5. OTHER FINANCIAL ASSETS

Listed shares at fair value

CONSOLIDATED	
AS AT 31 DEC 2018	AS AT 30 JUN 2018
\$	\$
98,000	158,127

This balance represents the Company's shareholding in Black Dragon Gold Corporate (ASX: BDG).

6. ISSUED CAPITAL

207,286,596 fully paid ordinary shares
(30 June 2018: 207,286,596)

CONSOLIDATED	
AS AT 31 DEC 2018	AS AT 30 JUN 2018
\$	\$
41,766,347	41,766,347

6.1. FULLY PAID ORDINARY SHARES

	CONSOLIDATED			
	SIX MONTHS TO 31 DEC 2018		YEAR TO 30 JUN 2018	
	No.	\$	No.	\$
Balance at beginning of year	207,286,596	41,766,347	127,013,264	36,541,893
Shares issued on 2 February 2018	-	-	31,753,316	1,587,666
Shares issued on 21 March 2018	-	-	48,520,012	3,881,601
Options converted during the period	-	-	4	-
Share issue costs	-	-	-	(244,813)
Balance at end of period	207,286,596	41,766,347	207,286,596	41,766,347

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

7. FINANCIAL INSTRUMENTS

7.1. FAIR VALUE MEASUREMENT

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

7.2. MEASURED AT FAIR VALUE ON RECURRING BASIS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

7.2 MEASURED AT FAIR VALUE ON RECURRING BASIS (CONT'D)

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2018 and 30 June 2018.

	SIX MONTHS to 31 DEC 2018 FAIR VALUE \$	YEAR TO 30 JUNE 2018 FAIR VALUE \$	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE
31 December 2018				
Equity investments designated at FVTPL	98,000	158,127	Level 1	Quoted market prices in an active markets

7.3. TRANSFERS

There have been no transfers between the levels of the fair value hierarchy during the six months to 31 December 2018 and year ended 30 June 2018.

7.4. NOT MEASURED AT FAIR VALUE (BUT FAIR VALUE DISCLOSURES ARE REQUIRED)

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of current receivables and current payables are considered to be a reasonable approximation their fair values.

8. CONTINGENCIES

There were no contingent liabilities or continent assets as at 31 December 2018.

For personal use only

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the half-year ended 31 December 2018

9. EVENTS AFTER BALANCE DATE

On 22 February 2019, the Company exercised two separate options to acquire four tenements; E59/2310, E59/2309, E59/2237 and E59/2249. The entry into the option agreements and their terms are outlined in the announcement made on 23 December 2018, 'Blaze Acquires Options Over Further Kirkalocka Ground'. The Company is still performing the administrative process to settle the exercise of the options.

On 6 March 2019, the Company notified the market that 184,999,996 unlisted options exercisable at \$0.08 on or before 1 March 2019 expired unexercised. Following expiry there are no further unlisted options on issue.

For personal use only