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# DYNASTY

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## RESOURCES LIMITED

ABN 80 110 385 709

### **Half-Year Financial Report**

**For the half-year ended 31 December 2018**

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**CORPORATE INFORMATION**

Company Particulars	Dynasty Resources Limited ACN 110 385 709 The Company is an exploration company with its securities listed only on the Australian Securities Exchange
Registered Office	83 Brisbane Street Perth WA 6000  Telephone: +61 8 6316 4414 Facsimile: + 61 8 6316 4404  Email: admin@dynastyresources.com.au Website: www.dynastyresources.com.au
Directors	Lewis Tay (Chairman and Managing Director) Bin Wang (Non-executive Director) Bo Xin Dong (Alternate director for Bin Wang) Gang Xu (Non-executive Director) Malcolm Castle (Non-executive Director)
Company Secretary	Henry Kinstlinger
Auditor	BDO Level 11, 1 Margaret St Sydney NSW 2000 AUSTRALIA Telephone: +61 2 9251 4100 Facsimile: +61 2 9240 9821
Share Registrar	Security Transfer Registrars Pty Ltd Suite 1, Alexandria House 770 Canning Highway Applecross WA 6153  Telephone: +61 8 9513 2333 Facsimile: + 61 8 9315 2233

# DYNASTY RESOURCES LIMITED

## Directors' Report

For the half-year ended 31 December 2018

The directors of Dynasty Resources Limited (the 'Company' or 'parent entity') present their report, together with the financial statements of the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of the Company and the entities it controlled at the end of the half-year ended 31 December 2018 ('the reporting period') and the auditor's report thereon.

### Directors

The directors of the Company at any time during or since the end of the reporting period are:

Lewis Tay (Chairman/Managing Director)  
Bin Wang (Non-Executive Director)  
Bo Xin Dong (Alternate Director for Bin Wang)  
Gang Xu (Non-Executive Director, appointed 8 March 2019)  
Malcolm Castle (Non-Executive Director, appointed 8 March 2019)  
Kenneth Charteris (Resigned on 7 March 2019)

### Review of operations and financial results

During the half-year ended 31 December 2018, the principal activity of the Company continued to be the exploration and evaluation of mineral licences, with a principal focus on the North Shaw Lithium Project and commencement of a drilling program.

The Company also has a 75% interest in a financial leasing company which operates in mainland China.

	Half-year ended	
	31 Dec 18	31 Dec 17
	\$	\$
Loss after income tax	(92,149)	(126,136)
Basic and diluted loss per share (in cents)	(0.02)	(0.04)
Total assets	8,666,692	8,537,310
Total liabilities	1,413,440	922,268
Net assets	7,253,252	7,615,042

On 8 March 2019, the Company announced the appointment of two non-executive directors Mr Gang Xu and Mr Malcolm Castle, experienced executives from the mining and exploration sector to support the company in advancing existing mining exploration projects and seeking new mining opportunities in Australia and abroad. The company also announced the resignation of Mr Kenneth Charteris.

In addition to the above, as announced to the market by the Directors of Dynasty Resources on the 15 July 2018, the directors resolved to dispose of the Company's investment in U.S.A Nongbiao Puruina Group Agricultural Holding Limited (Nong Biao) and continue operations solely as an exploration Company. Whilst a search for a buyer of Nong Biao has been underway, at the date of this report the matter remains open and as such the timing and proceeds of disposal remain uncertain.

No matters or circumstances have arisen since the end of the half-year which have significantly affected, or may significantly affect the operations or the state of affairs of the Company in future financial years.

## DYNASTY RESOURCES LIMITED

### Directors' Report

For the half-year ended 31 December 2018

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#### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 6 of this financial report and forms part of this Directors Report.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Lewis Tay  
Executive Chairman  
Sydney  
29 March 2019

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**DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF DYNASTY RESOURCES LIMITED**

As lead auditor for the review of Dynasty 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 Dynasty Resources Limited and the entities it controlled during the period.



Gareth Few

Partner

**BDO East Coast Partnership**

Sydney, 29 March 2019

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**DYNASTY RESOURCES LIMITED****Consolidated Statement of Profit or Loss and Other Comprehensive Income**

For the half-year ended 31 December 2018

	<u>Notes</u>	<u>31-Dec-18</u> \$	<u>31-Dec-17</u> \$
Revenue	3	441,214	440,559
Cost of sales	3	-	(32,848)
<b>Gross profit</b>	3	<b>441,214</b>	<b>407,711</b>
Other income	3	48,250	11,228
Exploration expenses		(58,174)	(33,637)
Administrative & occupancy expenses		(455,899)	(422,570)
<b>Loss from continuing operations before income tax</b>	<b>3</b>	<b>(24,609)</b>	<b>(37,268)</b>
Income tax expense	3	(67,540)	(88,868)
<b>Loss after tax for the period</b>	<b>3</b>	<b>(92,149)</b>	<b>(126,136)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that may be reclassified subsequently to profit or loss:			
Unrecognised gain on fair value through OCI assets		-	98,841
Exchange differences on translating foreign operations		48,786	118,383
<b>Total comprehensive income for the year</b>		<b>(43,363)</b>	<b>91,088</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent		(146,742)	(191,997)
Non-controlling interests		54,593	65,861
		<b>(92,149)</b>	<b>(126,136)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent		(97,956)	25,227
Non-controlling interests		54,593	65,861
		<b>(43,363)</b>	<b>91,088</b>
<b>Earnings per share</b>			
From continuing and discontinued operations			
Basic and diluted earnings/(loss) per share (cents)		(0.02)	(0.04)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes and the annual report for the year ended 30 June 2018.

**DYNASTY RESOURCES LIMITED**  
**Consolidated Statement of Financial Position**

For the half-year ended 31 December 2018

	Notes	31-Dec-18 \$	30-Jun-18 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,026,755	1,333,064
Trade and other receivables	7	7,266,544	6,243,134
Prepayments		4,780	117,060
<b>Total Current Assets</b>		<b>8,298,079</b>	<b>7,693,258</b>
<b>Non Current Assets</b>			
Trade and other receivables	7	122,488	323,307
Financial assets	4	23,905	97,539
Property, plant and equipment	5	31,399	63,477
Deferred tax assets		190,821	173,730
<b>Total Non Current Assets</b>		<b>368,613</b>	<b>658,053</b>
<b>Total Assets</b>		<b>8,666,692</b>	<b>8,351,311</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		144,212	40,945
Tax payable		124,221	42,466
Deposits received		1,135,817	950,463
<b>Total Current Liabilities</b>		<b>1,404,250</b>	<b>1,033,874</b>
<b>Non Current Liabilities</b>			
Deposits received		9,190	20,822
<b>Total Non Current Liabilities</b>		<b>9,190</b>	<b>20,822</b>
<b>Total Liabilities</b>		<b>1,413,440</b>	<b>1,054,696</b>
<b>Net Assets</b>		<b>7,253,252</b>	<b>7,296,615</b>
<b>EQUITY</b>			
Issued capital		25,589,970	25,589,970
Foreign currency translation reserve		94,101	45,315
Other reserves		91,541	140,217
Accumulated losses / Retained earnings		(20,628,222)	(20,534,257)
		<b>5,147,390</b>	<b>5,241,245</b>
Equity attributable to owners of the parent		5,147,390	5,241,245
Non-controlling interest		2,105,862	2,055,370
<b>Total equity</b>		<b>7,253,252</b>	<b>7,296,615</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the annual report for the year ended 30 June 2018.



**DYNASTY RESOURCES LIMITED**  
**Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2018

	<b>31-Dec-18</b>	<b>31-Dec-17</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Net leasing (outflow)/inflow	(230,493)	(1,556,118)
Cash from insurance recovery	39,500	-
Payments to suppliers and employees	(221,896)	(464,023)
Tax paid	(2,877)	(32,489)
GST refund	6,134	17,060
<b>Net Cash Outflow from Operating Activities</b>	<b>(409,632)</b>	<b>(2,035,570)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	-	(1,775)
Disposal of property, plant and equipment	25,979	
Purchase of financial assets	(23,905)	(6,999)
Sale of financial assets	84,352	-
Interest received	8,750	11,228
<b>Net Cash Inflow from Investing Activities</b>	<b>95,176</b>	<b>2,454</b>
<b>Net Cash Inflow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(314,456)</b>	<b>(2,033,116)</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>1,333,064</b>	<b>4,320,051</b>
Effects of exchange rate changes on cash holdings in foreign currencies	8,147	133,631
<b>Cash and Cash Equivalents at the end of period</b>	<b>1,026,755</b>	<b>2,420,566</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and the annual report for the year ended 30 June 2018.*

## DYNASTY RESOURCES LIMITED

### Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2018

	Ordinary Shares	Exchange Reserves	Other Reserves	Accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
<b>Balance at 1 July 2017</b>	<b>25,589,970</b>	<b>(325,569)</b>	<b>37,113</b>	<b>(19,878,287)</b>	<b>2,070,362</b>	<b>7,493,589</b>
Total loss attributed to shareholders of the Company	-	-	-	(191,997)	65,861	(126,136)
Other comprehensive income for the half-year	-	118,383	98,841	-	-	217,224
Total comprehensive income for the half-year	-	118,383	98,841	(191,997)	65,861	91,088
Transactions with owners in their capacity as owners, and other transfers:						
Reserves adjustments	-	-	-	-	-	-
Foreign currency translation reserve	-	-	30,365	-	-	30,365
<b>Balance at 31 December 2017</b>	<b>25,589,970</b>	<b>(207,186)</b>	<b>166,319</b>	<b>(20,070,284)</b>	<b>2,136,223</b>	<b>7,615,042</b>
<b>Balance at 1 July 2018</b>	<b>25,589,970</b>	<b>45,315</b>	<b>140,217</b>	<b>(20,534,257)</b>	<b>2,055,370</b>	<b>7,296,615</b>
Total loss attributed to shareholders of the Company	-	-	-	(146,742)	54,593	(92,149)
Other comprehensive income for the half-year	-	48,786	-	-	-	48,786
Total comprehensive income for the half-year	-	48,786	-	(146,742)	54,593	(43,363)
Transactions with owners in their capacity as owners, and other transfers:						
Statutory reserve adjustment	-	-	16,403	(12,302)	(4,101)	-
Asset revaluation reserve transfer	-	-	(65,079)	65,079	-	-
<b>Balance at 31 December 2018</b>	<b>25,589,970</b>	<b>94,101</b>	<b>91,541</b>	<b>(20,628,222)</b>	<b>2,105,862</b>	<b>7,253,252</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and the annual report for the year ended 30 June 2018.

# DYNASTY RESOURCES LIMITED

## Notes to Financial Statements

For the half-year ended 31 December 2018

### 1. Corporate Information

The financial statements of Dynasty Resources Limited ('Company' or 'parent entity') and its subsidiaries ('the Group') for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 29 March 2019.

Dynasty Resources Limited is the Group's ultimate parent company, and is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the half-year was exploration and evaluation of mineral licences in Australia.

The Registered Office of the Company is at 83 Brisbane Street, Perth, WA, 6000.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report.

### 2. Summary of Significant Accounting Policies

#### (a) Statement of compliance

The half-year financial report is prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the annual report of the Company as at 30 June 2018 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

#### (b) Basis of Preparation

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The interim consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The interim consolidated financial statements (the interim financial statements) of the Company are for the six months ended 31 December 2018 and are presented in Australian dollars(\$), which is the functional currency of the parent company. These financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

#### (c) Going concern

The interim 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 ordinary course of business. The Group incurred a loss for the half year ended 31 December 2018 of \$92,149 (loss 2017: \$126,136) and net cash outflows from operating activities of \$409,632 (outflows 2017: \$1,035,570).

In addition to the above, as announced to the market by the Directors of Dynasty Resources on the 15 July 2018, the directors resolved to dispose of the Company's investment in U.S.A Nongbiao Puruina Group Agricultural Holding Limited (Nong Biao) and continue operations solely as an exploration Company. Whilst a search for a buyer of Nong Biao has been underway, at the date of this report the matter remains open and as such the timing and proceeds of disposal remain uncertain.

In order for the Company to retain its ASX listing and continue as an exploration company there needs to be substantive expenditure to continue to advance its exploration programs. The cash flow forecast prepared for the assessment of Going Concern factors in a number of estimates and assumptions in relation to the timing and quantum of planned exploration expenditure. The planned expenditure foresees the need to raise capital during the forecast period in order to continue the progression of the Company's exploration tenements.

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity, debt or the disposal of Nong Biao or a combination of all, to continue to fund its operational and exploration activities. The above matters give rise to a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

# DYNASTY RESOURCES LIMITED

## Notes to Financial Statements

For the half-year ended 31 December 2018

The financial report has been prepared on a going concern basis. In arriving at this position, the Directors have had regard to the fact that the Company has, or in the Directors' opinion will have access to, sufficient funding to meet administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

### (d) New standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* became effective for periods beginning on or after 1 January 2018. Accordingly, the Company applied AASB 15 and AASB 9 for the first time to the interim period ended 31 December 2018. Changes to the Company's accounting policies arising from these standards are summarised below:

#### Revenue

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. AASB 117 remains the accounting standard applicable to revenue generated from leases.

There is no material cumulative effect of the initial application of AASB 15 at 1 July 2018 in accordance with the transition requirements based on the assessment by the Company.

#### Financial Instruments

The Company has initially adopted AASB 9 *Financial instruments* from 1 July 2018. AASB 9 replaces AASB 139 *Financial instruments: recognition and measurement*. It sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

#### Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

#### Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt or equity instruments at fair value through other comprehensive income (FVTOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### Impairment of financial assets

AASB 9's new forward-looking impairment model applies to Company's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

#### Trade and other receivables and lease receivables

The Company makes use of a simplified approach in accounting for the impairment of trade and other receivables and lease receivables, recording the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Based on the assessment by the Company, there is no significant cumulative effect of the initial application of AASB 9 at 1 July 2018 in accordance with the transition requirements arising from this expected credit loss model.

## DYNASTY RESOURCES LIMITED

### Notes to Financial Statements

For the half-year ended 31 December 2018

#### 3. Segment information

##### Identification of reportable operating segments

Management has determined that the Company has two reportable geographical segments, being mineral exploration in Australia and financial leasing in China.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. Geographical segments are determined by distinguishable components whereby the risk and returns are different from the other segments.

##### Types of products and services

Australia	The Exploration segment comprising Dynasty Resources Limited (the Company) is involved in exploration and evaluation of mineral licences.
China/Hong Kong	The Financial Leasing segment comprising U.S.A. Nongbiao Puruina Group Agricultural Holding Limited as the 75% shareholder of Shanghai Chen Mao Finance Lease Co., Ltd which is involved in providing financial leasing services in China.

##### Intersegment transactions

Dynasty have contributed funds totalling A\$3.71 million up to 31 December 2018 to Chen Mao (through Nong Biao) to support the ongoing development of its financial leasing business in China (30 June 2018: A\$3.71 million).

##### Intersegment receivables, payables and loans

At 31 December 2018, there are no intersegment receivables, payables or loans (30 June 2018: \$nil).

##### Operating segment information

###### Consolidated - 31 December 2018

	Exploration	Financial Lease	Total
	\$	\$	\$
<b>Revenue</b>			
Sales	-	441,214	441,214
Cost of sales	-	-	-
<b>Gross profit</b>	-	<b>441,214</b>	<b>441,214</b>
Earnings before interest, tax, depreciation and amortisation	(315,509)	288,249	(27,260)
Interest Income	5,378	3,372	8,750
Depreciation and amortisation expense	(392)	(5,707)	(6,099)
<b>Profit/(loss) before tax expense</b>	<b>(310,523)</b>	<b>285,914</b>	<b>(24,609)</b>
Income tax expense	-	(67,540)	(67,540)
<b>Profit/(loss) after tax expense</b>	<b>(310,523)</b>	<b>218,374</b>	<b>(92,149)</b>
Segment assets	938,337	7,728,355	8,666,692
Segment liabilities	30	1,413,409	1,412,439

# DYNASTY RESOURCES LIMITED

## Notes to Financial Statements

For the half-year ended 31 December 2018

### Consolidated - 31 December 2017

	Exploration \$	Financial Lease \$	Total \$
<b>Revenue</b>			
Sales	-	440,559	440,559
Cost of sales	-	(32,848)	(31,848)
<b>Gross profit</b>	-	<b>407,711</b>	<b>407,711</b>
Earnings before interest, tax, depreciation and amortisation	(373,327)	345,172	(28,155)
Interest Income	8,579	2,649	11,228
Finance costs	-	-	-
Depreciation and amortisation expense	(10,042)	(10,299)	(20,341)
<b>Profit/(loss) before tax expense</b>	<b>(374,790)</b>	<b>337,522</b>	<b>(37,268)</b>
Income tax expense	-	(88,868)	(88,868)
<b>Profit/(Loss) after tax expense</b>	<b>(374,790)</b>	<b>248,654</b>	<b>(126,136)</b>
Segment assets	1,491,631	7,045,679	8,537,310
Segment liabilities	4,098	918,170	922,268

#### 4. Financial Assets

	31-Dec-18 \$	30-Jun-18 \$
Fair value through OCI financial assets	23,904	97,538
Investment in Goldstone Resources Pty Ltd	1	1
	<u>23,905</u>	<u>97,539</u>

Fair value through OCI financial assets are the Company's investment in equity of listed entities. These Level 1 assets are measured at their fair value applying the closing market rate on the reporting dates. Investments at reporting date represent 132,398 ordinary equity shares in ASX: AIS (30 June 2018 represents 3,751,467 ordinary shares in Argonaut Resources NL).

#### 5. Property, Plant and Equipment

	31-Dec-18 \$	30-Jun-18 \$
<b>Plant and equipment</b>		
At cost	240,773	273,855
Accumulated depreciation	(209,374)	(210,378)
	<u>31,399</u>	<u>63,477</u>
<b>Movement in net carrying amount</b>		
Balance at the beginning of the period	64,477	89,834
Additions / Disposals	(27,734)	-
Depreciation for the period	(6,099)	(31,151)
Foreign Exchange movement	1,755	4,794
<b>Balance at the end of the period</b>	<u>31,399</u>	<u>63,477</u>

## DYNASTY RESOURCES LIMITED

### Notes to Financial Statements

For the half-year ended 31 December 2018

#### 6. Contributed Equity

	31 December 2018	
	Nos.	\$
<i>Movement of ordinary shares on issue:</i>		
Balance at the beginning of the period	506,326,341	25,589,970
Issue of shares	-	-
Equity issue costs	-	-
<b>Balance at the end of the half-year</b>	<b>506,326,341</b>	<b>25,589,970</b>

#### Capital Management Policy

The Company's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The Company manages its contributed equity and reserves as part of its capital.

As is similar with many other exploration companies, the operational requirements of the Company are funded through equity raised in various tranches. The overall capital management policy of the Company remains unchanged and is consistent with prior years.

#### 7. Trade and Other Receivables

	31-Dec-18	30-Jun-18
	\$	\$
<i>Current</i>		
Finance lease receivable	7,953,562	6,938,054
Other receivable	30,743	-
Provision for bad debts	(717,761)	(694,920)
	<b>7,266,544</b>	<b>6,243,134</b>
<i>Non-current</i>		
Finance lease receivable	122,488	323,307
	<b>122,488</b>	<b>323,307</b>

#### 8. Commitments and Contingencies

##### *Tenement commitments*

In order to maintain an interest in the mining and exploration tenements in which the Company seeks to retain and does not intend to relinquish within the next 12 months, the Company is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the company are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report.

Outstanding exploration commitments for the Company's tenements are \$218,000 (no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations).

##### *Capital commitments and Contingencies*

Since the last annual reporting date, there have been no material changes to any capital commitments and contingencies.

## **DYNASTY RESOURCES LIMITED**

### **Notes to Financial Statements**

For the half-year ended 31 December 2018

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#### **9. Events After Reporting Date**

On 8 March 2019, the Company announced the appointment of two non-executive directors Mr Gang Xu and Mr Malcolm Castle, experienced executives from the mining and exploration sector to support the company in advancing existing mining exploration projects and seeking new mining opportunities in Australia and abroad. The company also announced the resignation of Mr Kenneth Charteris.

No matters or circumstances have arisen since the end of the half-year which have significantly affected, or may significantly affect the operations or the state of affairs of the Company in future financial years.

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## Directors' Declaration

For the half-year ended 31 December 2018

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In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



**Lewis Tay**  
Managing Director

29 March 2019

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dynasty Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Dynasty 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, 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 *Corporations Regulations 2001*.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 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

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*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 East Coast Partnership**

A small, stylized version of the BDO logo, consisting of the letters 'BDO' in a cursive script.

A handwritten signature in cursive script that reads 'Gareth Few'.

**Gareth Few**  
**Partner**

Sydney, 29 March 2019

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