



ACN 007 761 186

And Controlled Entities

Report for the Half-Year Ended 31 December 2017

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Corporate Particulars

Directors

Peter Bilbe
Jon Price
Peter Hunt

Company Secretary

Bianca Taveira

Registered Office

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NEDLANDS WA 6009
T 08 9386 9534 | **F** 08 9389 1597

Principal Place of Business

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Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
PERTH WA 6000
T 1300 850 505

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Stock Exchange Listing

Australian Stock Exchange
Code: IRC/IRCOA

Bankers

National Australia Bank Ltd

Directors' Report

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2017.

Directors

The following persons hold office as Directors of Intermin Resources Ltd at the date of this report or were Directors at a time during the half-year:

Peter Bilbe
Jon Price
Peter Hunt
David (Lorry) Hughes (resigned 31 January 2018)

Principal Activities

The principal continuing activities of Intermin Resources Ltd ('the Company') and its controlled entity ('the Group') during the period consisted of:

- mining of gold deposit at Teal Gold Mine;
- construction and development of extensions to the existing Teal Gold Mine; and
- extensive exploration carried out at the Company's other gold prospects within Western Australia.

The economic entity made a profit of \$1,997,370 (December 2016: Loss \$1,016,452) for the half year.

Review of Operations

CORPORATE

Issued Capital

At 31 December 2017, Intermin Resources Ltd had 222,912,951 fully paid ordinary shares on issue.

During the period, 8,194,968 shares were issued upon exercise of options at 7.5 cents per share raising \$614,623, of which \$603,373 was received in June 2017.

The Company also issued 3,416,666 Shares and 1,791,666 Listed Options with an exercise price of 17 cents and expiry date of 31 August 2018 to AXF Resources Pty Ltd pursuant to the terms of the Richmond Vanadium JV Agreement.

At the Company's AGM held on 23 November 2017, it was approved by shareholders to issue 6,500,000 Performance Rights to Directors under the Employee Incentive Scheme (EIS). A further 3,500,000 Performance Rights were issued to Employees on 23 November 2017 under the EIS approved by shareholders on 17 October 2016.

In December 2017, Intermin achieved a performance milestone thus the Company issued 633,333 Fully Paid Ordinary Shares to Directors and 300,000 Fully Paid Ordinary Shares to Employees on the vesting of Class B Performance Rights awarded on 23 November 2017. The deemed issue price per share is \$0.1516.

Company Investments

At 31 December 2017, Intermin held 5,959,257 fully paid ordinary shares in Reward Minerals Ltd (ASX: RWD) valued at \$1.5m.

At 31 December 2017, the Company had cash on hand of approximately \$3.7m and gold bullion of \$3.09m.



Directors' Report

EXPLORATION AND DEVELOPMENT ACTIVITIES

During the half year the Company made progress on a number of fronts. Key developments were as follows:

Mine Development

Open pit mining of ore and waste continued during the Period at Teal Stage 1 with ore processing at third party processing plants in close proximity. The pre stripping of waste was completed and ore mining totalled approximately 120,000 tonnes with a mine claimed grade of 3.5g/t Au. Gold sales generated \$11.8m in revenue with the project cash positive during the Period.

During the period, Teal Stage 2 was approved and commenced comprising a cut back on the east wall to access additional ore. Both stages of the pit are expected to produce 18,000 – 20,000 ounces with completion of mining scheduled for the March Quarter 2018 and final ore processing in the June Quarter 2018.

Development studies for the Goongarrie Lady and Teal Stage 3 gold projects advanced during the Period with Feasibility Study completion expected in the June Quarter 2018.

Exploration

Exploration activities continued during the period across Intermin's 100% owned tenure in the Goldfields of Western Australia. Over 20,000m of drilling was completed focussing on resource extension and new discovery targeting ahead of the large scale program planned for 2018. The drilling was highly successful and identified three key project areas, the Teal gold camp, Anthill and Blister Dam.

For details on the drilling programs, we refer you to the announcements released on the ASX and on the Intermin website (www.intermin.com.au).

Results from the drilling are now being compiled with resource updates expected at the Anthill gold project in the March Quarter 2018 and Teal in the June Quarter 2018.

Menzies Gold Project Joint Venture

In 2016, Intermin executed a binding Heads of Agreement ("HoA") with Eastern Goldfields Limited (ASX: EGS) ("EGS") to form a strategic joint venture ("EGS JV") covering Intermin's projects in the Menzies and Goongarrie region (refer ASX announcement dated 5 September 2016).

Further exploration activities are planned for 2018 at these prospects and will be managed and funded by EGS as part of the joint venture.

Binduli North Gold Project Joint Venture

During the Period, joint venture partner Evolution Mining Limited completed 38 holes for 4,006m testing priority geochemical and structural targets at the Coot and Crake and Honey Eater prospects. Results and follow up plans are expected in the March Quarter 2018.

Janet Ivy (M26/446) Production Royalty

Intermin owns a \$0.50/t mining royalty that relates to ore mined and treated from ML26/446 currently owned by Norton Gold Fields Ltd. During the period, the prepayment threshold was reached and royalty payments are now payable with potential for \$600,000 in royalties in the March and June Quarters.



Directors' Report

EXPLORATION AND DEVELOPMENT ACTIVITIES (continued)

Nanadie Well Copper – Gold Project Joint Venture

Joint Venture partner Mithril Resources Ltd announced new priority regional targets at the Nanadie Well project during the period and reported some excellent results including extensions to Cu-Ni-PGE massive sulphide mineralisation at the Stark prospect. Excellent drilling results were also returned from the Kombi gold prospect with follow up on both projects planned for the first half of 2018. For details we refer you to the Mithril Resources ASX releases for the period (ASX: MTH).

Richmond Vanadium - Molybdenum Project

In December 2016, Intermin executed a binding Heads of Agreement ("HoA") with AXF Resources Pty Ltd ("AXF") to form a strategic joint venture ("AXF JV") covering Intermin's Richmond Vanadium – Molybdenum project in Queensland (refer ASX announcement dated 13 December 2016).

During the period activities included data compilation and review for a Resource update accounting for changes in tenement boundaries and to ensure compliance with JORC 2012 reporting. In addition, AXF collected samples for dispatch to two research laboratories in China for initial pre-treatment metallurgical test work.

The resource update and the initial results from the test work are expected in the March and June Quarters respectively.

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Rothsay Chartered Accountants, the consolidated entity's auditors, as presented on page 6 of this half-year's financial report.

This report is signed in accordance with a resolution of directors made pursuant to S306(3) of the Corporations Act 2001, and on behalf of the Board by:

MR JON PRICE
DIRECTOR

14 March 2018



Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out within this financial report:
 - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Act 2001*; and other mandatory professional reporting requirements.
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that Intermin 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.

MR JON PRICE
DIRECTOR

14 March 2018



Auditor's Independence Declaration



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

The Directors
Intermin Resources Limited
163-167 Stirling Highway
Nedlands WA 6009

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2017 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 14 March 2018



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Auditor's Review Report



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Independent Review Report to the Members of Intermin Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Intermin Resources Limited for the half-year ended 31 December 2017.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2017 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Intermin Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

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

- giving a true and fair view of the consolidated financial position as at 31 December 2017 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Rolf Garda
Partner

Dated 14 March 2018



Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2017

	Note	Consolidated December 2017 \$	December 2016 \$
Continuing Operations			
Gold sales		11,802,226	-
Interest income		8,258	40,036
Other income	2(a)	113,706	60,920
Net change in fair value on financial assets at fair value through profit or loss	2(c)	327,758	-
Total revenue from continuing operations		12,251,948	100,956
Cost of sales	2(b)	(9,443,847)	-
Depreciation expenses	2(b)	(13,372)	(15,105)
Exploration and evaluation expenditure	2(b)	(25,331)	(5,071)
Net change in fair value on financial assets at fair value through profit or loss	2(c)	-	(742,877)
Employee benefits expense		(205,983)	(156,313)
Share based payments	8	(261,493)	-
Building and occupancy costs		(36,071)	(30,330)
Consultancy and professional fees		(65,843)	(35,439)
Other expenses		(202,638)	(132,273)
(Loss)/Profit from continuing operations before income tax		1,997,370	(1,016,452)
Income tax (expense)/benefit		-	-
(Loss)/Profit for the period		1,997,370	(1,016,452)
Other comprehensive income for the period			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
(Loss)/Profit for the period and total comprehensive income attributable to owners of Intermin Resources Ltd		1,997,370	(1,016,452)
Basic (loss)/earnings per share		1.05 cents	(0.659) cents
Diluted (loss)/earnings per share		1.05 cents	(0.659) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position as at 31 December 2017

	Note	Consolidated December 2017 \$	June 2017 \$
Current Assets			
Cash and cash equivalents		6,840,676	3,030,060
Trade and other receivables		405,832	6,680,584
Total Current Assets		7,246,508	9,710,644
Non Current Assets			
Financial assets at fair value through profit or loss	3	1,549,406	1,221,648
Other financial assets		257,927	257,927
Property, plant and equipment		232,917	246,289
Exploration, evaluation and development expenditure	4	14,530,788	14,166,133
Total Non Current Assets		16,571,038	15,891,997
Total Assets		23,817,546	25,602,641
Current Liabilities			
Trade and other payables		2,081,150	6,239,286
Total Current Liabilities		2,081,150	6,239,286
Non Current Liabilities			
Provisions		100,000	100,000
Total Non Current Liabilities		100,000	100,000
Total Liabilities		2,181,150	6,339,286
Net Assets		21,636,396	19,263,355
Equity			
Contributed equity	5	27,121,586	26,848,742
Reserves		787,130	684,303
Accumulated losses		(6,272,320)	(8,269,690)
Total Equity		21,636,396	19,263,355

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2017

	Contributed Equity \$	Asset Revaluation Reserve \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2017	26,848,742	144,976	539,327	(8,269,690)	19,263,355
Comprehensive income for the half-year					
Profit/ (Loss) for the half-year	-	-	-	1,997,370	1,997,370
Total comprehensive income/(loss) for the half-year	-	-	-	1,997,370	1,997,370
Transactions with owners in their capacity as owners:					
Issue of shares and options during the period	121,250	-	-	-	121,250
Issue of performance rights as remuneration	158,666	-	102,827	-	261,493
Share issue costs	(7,072)	-	-	-	(7,072)
Balance at 31 December 2017	27,121,586	144,976	642,154	(6,272,320)	21,636,396
Balance at 1 July 2016	20,980,357	144,976	138,904	(7,880,005)	13,384,232
Comprehensive income for the half-year					
Profit/ (Loss) for the half-year	-	-	-	(1,016,452)	(1,016,452)
Total comprehensive income/(loss) for the half-year	-	-	-	(1,016,452)	(1,016,452)
Transactions with owners in their capacity as owners:					
Issue of shares and options during the period	4,210,234	-	-	-	4,210,234
Share issue costs	(558,187)	-	-	-	(558,187)
Balance at 31 December 2016	24,632,404	144,976	138,904	(8,896,457)	16,019,827

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2017

	Consolidated	
	December 2017 \$	December 2016 \$
Cash flows from Operating Activities		
Receipts from customers	18,292,375	61,642
Payments to suppliers and employees	(14,013,852)	(635,923)
Interest received	9,210	12,595
Net cash inflow/(outflow) from operating activities	4,287,733	(561,686)
Cash flows from Investing Activities		
Proceeds from disposal of financial assets	-	12,670
Capitalised exploration and evaluation expenditure	(646,295)	(1,714,476)
Proceeds from return of security bonds	55,000	-
Net cash outflow from investing activities	(591,295)	(1,701,806)
Cash flows from Financing Activities		
Proceeds from issues of ordinary shares	121,250	4,210,234
Share issue costs	(7,072)	(558,187)
Net cash inflow from financing activities	114,178	3,652,047
Net increase in cash and cash equivalents	3,810,616	1,388,555
Cash and cash equivalents at the beginning of the half-year	3,030,060	1,916,749
Cash and cash equivalents at the end of the half-year	6,840,676	3,305,304

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half-Year ended 31 December 2017

1 Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 13 March 2018. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 30 June 2017.

It is also recommended that the half-year financial report be considered together with any public announcements made by Intermin Resources Ltd during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. 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 its business and, therefore, no change is necessary to Group accounting policies.

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

2 Profit/(Loss) for the Half Year

(a) Other Income:

Gain/(loss) on sale of financial assets at fair value through profit & loss
Recovery of administration costs
Other income

December 2017 \$	December 2016 \$
-	1,640
39,586	57,339
74,120	1,941
113,706	60,920

Notes to the Financial Statements

for the Half-Year ended 31 December 2017

2 Profit/(Loss) for the Half Year (continued)

(b) Expenses

Cost of sales

Mining & processing costs

Amortisation

Cost of sales

Depreciation

Exploration and evaluation expenditure

(c) Significant Items:

Net change in fair value of financial assets at fair value through profit or loss

(Decrease)/increase in net market value of shares and options in listed companies

3 Financial Assets at Fair Value Through Profit or Loss

Shares and options in listed companies at market value

December 2017 \$	December 2016 \$
(7,712,490)	-
(1,731,357)	-
(9,443,847)	-
(13,372)	(15,105)
(25,331)	(5,071)
327,758	(742,877)
December 2017 \$	June 2017 \$
1,549,406	1,221,648

Notes to the Financial Statements for the Half-Year ended 31 December 2017

4 Exploration, Evaluation and Development Expenditure

During the half year ended 31 December 2017, the Group incurred and capitalised the following exploration, evaluation and development expenditure:

Exploration and evaluation phase

	December 2017 \$	June 2017 \$
Carrying amount at beginning of period	9,630,270	7,955,500
Capitalised during the year	1,875,574	3,174,935
Transferred to production phase	-	(1,500,165)
Purchases of tenements	20,000	-
Carrying amount at end of period	11,525,844	9,630,270
Mine properties		
Carrying amount at beginning of the year	4,535,863	-
Transfer from exploration and evaluation phase	-	1,500,165
Capitalised during the year	200,438	5,537,373
Amortised during the year	(1,731,357)	(2,501,675)
Carrying amount at end of period	3,004,944	4,535,863
Total exploration and mine properties	14,530,788	14,166,133

The ultimate recoupment of these costs is dependent on successful development and commercial exploration, or alternatively, the sale of the respective areas.

5 Contributed Equity

	December 2017 No.	June 2017 No.	December 2017 \$	June 2017 \$
Share capital				
Opening Balance	218,412,952	161,392,121	26,848,742	20,980,357
Options exercised during the period	150,000	14,819,666	11,250	1,111,475
New shares issued during the period	4,349,999	42,201,165	268,666	5,347,190
Capital raising costs	-	-	(7,072)	(590,280)
Total Contributed Equity	222,912,951	218,412,952	27,121,586	26,848,742

Notes to the Financial Statements for the Half-Year ended 31 December 2017

6 Joint Operations

A Mining and Finance Heads of Agreement was executed with Resource Mining Pty Ltd ("RM") on 7 October 2016 in relation to the development of the Teal Gold Project Stage 1 (TS1) as announced to the ASX on 19 July 2016. Under the agreement the following terms apply:

- (a) Intermin and RM must fund 50% each of the capital development costs of the TS1 Open Cut Pit through to First Gold, being the Establishment Capital Cost.
- (b) Intermin shall be entitled to 75% of the resultant Net Operating Cashflow from the TS1 Open Cut Pit after recovery of the First Portion, Second Portion, RM's Overrun Portion, Intermin's Overrun Portion and Project Discovery Costs as set out below.
- (c) RM shall be entitled to 25% of the resultant Net Operating Cashflow from the TS1 Open Cut Pit after recovery of the First Portion, Second Portion and Project Discovery Costs as set out below.
- (d) RM shall incur and pay the first \$2.1M exclusive of GST of capital development costs of the TS1 Open Cut Pit (including Mining Services) (the First Portion).
- (e) Intermin shall incur and pay the next \$2.1M exclusive of GST of capital development costs of the TS1 Open Cut Pit (including Mining Services) (the Second Portion).
- (f) After the Second Portion has been incurred, Intermin and RM will each fund 50% of the capital development costs of the TS1 Open Cut Pit (including Mining Services). RM's share of such costs shall be RM's Overrun Portion and Intermin's share of such costs shall be Intermin's Overrun Portion.
- (g) Once the TS1 Open Cut Pit is generating revenue from gold sales (First Gold) the revenue earned will first be used to pay all Project Expenditure that is incurred after First Gold. This includes Advance Payment Forecasts to RM, as well as actual Project Expenditure incurred by RM and Intermin after First Gold. Cash remaining after such Project Expenditure have been paid will be Net Operating Cashflow.
- (h) Net Operating Cashflow shall be paid to the parties as follows, in the following order of priority:
 - i. Firstly, RM shall be repaid the First Portion from that Net Operating Cashflow;
 - ii. Secondly, Intermin shall be repaid the Second Portion from that Net Operating Cashflow;
 - iii. Thirdly, RM and Intermin shall each be repaid in equal shares RM's Overrun Portion and Intermin's Overrun Portion from that Net Operating Cashflow;
 - iv. Fourthly, Intermin shall be repaid \$2.15M exclusive of GST (the Project Discovery Costs);
 - v. Fifthly, RM and Intermin shall be paid any remaining Net Operating Cashflow in shares as follows:
 - (a) RM 25%; and
 - (b) Intermin 75%

As at 31 December 2017, all capital development costs had been repaid with the project cash positive and the project discovery cost repayment commenced.



Notes to the Financial Statements for the Half-Year ended 31 December 2017

7 Segment Information

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions.

The board considers that the reportable segments are defined by the nature of the exploration and mining activities. As such there are two reportable segments being Vanadium/Molybdenum tenements and Gold tenements.

	Vanadium/ Molybdenum \$	Gold \$	Total \$
31 December 2017			
Revenue	-	11,802,226	11,802,226
Profit/(loss) before Income tax	-	1,661,354	1,661,354
31 December 2016			
Revenue	-	-	-
Profit/(loss) before Income tax	-	-	-
31 December 2017			
Total Segment Assets	756,367	16,863,941	17,620,308
30 June 2017			
Total Segment Assets	756,367	19,840,408	20,596,775
Segment profit/(loss)		December 2017 \$	December 2016 \$
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:			
Segment profit/(loss) before income tax		1,661,354	-
Interest revenue		8,258	40,036
Unallocated costs net of other revenue consisting of:			
Net change in fair value on financial assets at fair value through profit and loss		327,758	(742,877)
Net income/(loss) on disposal of investments		-	1,640
Employee benefits expense		-	(156,313)
Other revenue/(costs)		-	(158,938)
Profit/(loss) before income tax		1,997,370	(1,016,452)

Notes to the Financial Statements for the Half-Year ended 31 December 2017

7 Segment Information (continued)

Segment assets

Segment assets reconcile to total assets as follows:

Unallocated assets consisting of:

Financial assets through profit and loss

Trade and other receivables

Cash and cash equivalents

Property, plant and equipment

Other

Total assets

December 2017 \$	June 2017 \$
17,620,308	20,596,775
1,549,406	1,221,648
405,832	249,942
3,751,156	3,030,060
232,917	246,289
257,927	257,927
23,817,546	25,602,641

8 Share Based Payments

In November 2017, directors and employees were granted 10,000,000 performance rights.

The performance rights were granted at nil consideration, do not have an exercise price and will lapse if the vesting conditions are not met.

The Performance Rights are issued under the Intermin Resources Employee Incentive Scheme (EIS) approved by shareholders at the General Meeting held of 17 October 2016. The issue to Directors was approved at the Annual General Meeting on 23 November 2017.

Each Performance Right will, at the election of the holder, vest and convert to one fully paid ordinary share, subject to the satisfaction of certain Performance Conditions.

The Performance Conditions are:

1. Class A Performance Rights – Prior to 1 July 2018 a feasibility study on the Goongarrie Lady Project is completed projected to deliver more than \$8,000,000 net cash flow and the total JORC resource increases to result in an estimate of more than 710,000 ounces of gold.
2. Class B Performance Rights – Prior to 1 January 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 15 cents or more.
3. Class C Performance Rights – Prior to 1 July 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 20 cents or more.
4. Class D Performance Rights – Prior to 1 July 2019 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 25 cents or more.
5. Class E Performance Rights – Prior to 1 July 2020 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 30 cents or more.
6. Class F Performance Rights – Prior to 1 July 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 18 cents or more.
7. Class G Performance Rights – Delivery of gold production and cashflow for the Teal Gold Project in accordance with market guidance by 31 March 2018.



Notes to the Financial Statements for the Half-Year ended 31 December 2017

8 Share Based Payments (continued)

Set out below is a summary of the performance rights granted.

	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Total
Number granted	933,333	933,333	933,334	3,300,000	3,300,000	300,000	300,000	10,000,000
Grant date	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	
Expiry date of milestone achievements	01-Jul-18	01-Jan-18	01-Jul-18	01-Jul-19	01-Jul-20	01-Jul-18	31-Mar-18	
Share price hurdle	Commercial hurdle	15 cents	20 cents	25 cents	30 cents	18 cents	Commercial hurdle	
Fair value per right*	0.17	0.17	0.121	0.938	0.1019	0.135	0.17	
Total fair value that would be recognised over the vesting period if rights are vested	158,666	158,667	112,933	309,540	336,270	40,500	51,000	1,167,576
Number vested at 31 December 2017	0	933,333	0	0	0	0	0	
Amount expensed in current period	27,531	158,667	19,595	20,141	13,464	7,027	15,068	261,493

*The valuation for the Rights was arrived at using a Hoadley's Barrier 1 model. The total fair value will be expensed over the expected vesting period.

9 Commitments and Contingent Liabilities

There are no known contingent liabilities at reporting date.

There have been no significant changes to the Group's commitments since 30 June 2017.

10 Subsequent Events

On 31 January 2018, Lorry Hughes resigned from the Board and Mr Grant Haywood was promoted to Chief Operations Officer from General Manager. A total of 1,300,000 unlisted performance rights were cancelled due to Mr Hughes' resignation.

There were no matters or circumstances that have arisen since 31 December 2017 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

