

APPENDIX 4D
HALF YEAR CONSOLIDATED FINANCIAL REPORT

1. Results for Announcement to the Market

Current reporting period: Period ended 31 December 2018
 Previous corresponding period: Period ended 31 December 2017

	Amount \$	% Change up(+)/down(-)
Revenue from ordinary activities	1,419,232	-28%
Loss from ordinary activities after tax attributable to members (from continuing operations)	(4,011,140)	-6%
Net loss for the period attributable to members	(4,011,140)	-6%

2. Dividend Information

The directors do not recommend the payment of an interim dividend in relation to the financial year ended 30 June 2018 (2018: nil).

3. Net tangible assets per security

	31 Dec 2018 \$	31 Dec 2017 \$
Net tangible asset backing per ordinary share	0.01	0.01

As at 31 December 2018 the number of shares on issue was 960,660,390 (31 December 2017: 697,489,746).

4. Details of joint venture entities

The Company does not have any interests in joint ventures.

5. Details of entities over which the company has control

Name of Entity	% Interest	Country of Registration	Date of gain of control
Nuheara IP Pty Ltd	100%	Australia	25 February 2016
Terrace Gold Pty Ltd	80%	Australia	25 February 2016
Wild Acre Metals (Peru) SAC	100%	Peru	25 February 2016
Nuheara, Inc	100%	USA	21 June 2016

6. Assets held for sale

As reported in the Company's 2018 Annual Report, the directors remain committed to divest mining assets held in Peru within the next 12 months. As at the date of this report, there has been no change in the interests or to the activities of mining tenements.

7. Commentary on the results

It is recommended that the Appendix 4D be read in conjunction with the Company's ASX releases during the period in accordance with the continuous disclosure obligations under the ASX listing rules.

The Company incurred a net loss after tax of \$4,011,140. This compared with a net loss after tax of \$4,269,117 for the same period last year. The net loss after tax result represented a loss of 0.45 cents per share, compared to a loss of 0.54 cents per share over the same period last year.

Net cash outflows of \$265,206 were attributable to \$4,765,275 received through the issue of shares (net of share issue costs), offset by \$3,006,453 in net operating outflows, \$80,356 for the payment of plant and equipment (net of sale proceeds from assets that were sold) and \$1,943,672 for the purchase of intangible assets (representing capitalised development costs and international trademark registrations).

Revenue from ordinary activities for the period was \$1,419,232. This compared with \$1,959,994 sales revenue for the same period last year.

The Group successfully completed an oversubscribed capital raising in December 2018, raising \$5 million. Funds raised will be used to assist Nuheara in achieving its planned objectives for the next six months, namely to:

- increase sales and marketing activities of IQbuds BOOST™;
- increase inventory levels of IQbuds BOOST™ to support new contracts including the UK NHS hearing aid contract, announced on 28 November 2018 and due to commence in April 2019; and
- manufacture and development of new products including IQstream TV™ and IQbuds MAX.

As at 31 December 2018, the Group held \$8,080,492 (30 June 2018: \$8.34 million / 31 December 2017: \$5.64 million) in cash reserves.

8. Significant events after balance date

There were no events subsequent to the end of the reporting period that would have a material effect on these financial statements.

9. Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2018.

Auditor's Independence Declaration Under Section 307C of The Corporations Act 2001 to The Directors of Nuheara Limited

I declare that, to the best of my knowledge and belief, during the half-year end 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Walker Wayland WA Audit Pty Ltd

WALKER WAYLAND WA AUDIT PTY LTD

Richard J Gregson

**Richard Gregson CA
Director
Level 3, 1 Preston Street, COMO WA 6152**

Dated this 20th day of February 2019.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	NOTES	Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
Revenue		1,419,232	1,959,994
Cost of sales		(1,386,689)	(1,426,183)
Gross profit		32,543	533,811
Other income	7	2,139,006	45,588
Salaries and employee benefits		(2,834,933)	(2,119,209)
Marketing and promotional		(1,299,125)	(914,647)
Research and development		(513,890)	(519,080)
General and administrative		(1,104,314)	(1,007,274)
Share based payments	6	(428,340)	(288,306)
Loss before tax from continuing operations		(4,041,596)	(4,269,117)
Income tax expense		(2,087)	-
Total comprehensive loss for the year		(4,011,140)	(4,269,117)
		(4,011,140)	(4,269,117)
Total comprehensive loss attributable to:			
Equity holders		(4,011,140)	(4,269,117)
Total comprehensive loss		(4,011,140)	(4,269,117)
Earnings per share			
Basic loss per share (cents per share)	5	(0.45)	(0.54)
Diluted loss per share (cents per share)	5	(0.41)	(0.48)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	NOTES	31 Dec 2018 \$	30 Jun 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		8,080,492	8,345,698
Trade and other receivables		523,332	371,223
Inventory		2,989,247	2,353,392
Disposal group – mining tenements held for sale		206,233	206,233
Other assets		428,337	477,812
TOTAL CURRENT ASSETS		12,227,641	11,754,358
NON-CURRENT ASSETS			
Plant and equipment		707,939	762,526
Security deposits		8,657	32,098
Intangible assets	8	4,976,184	4,533,697
TOTAL NON-CURRENT ASSETS		5,692,780	5,328,321
TOTAL ASSETS		17,920,421	17,082,679
CURRENT LIABILITIES			
Trade and other payables		1,312,650	1,583,180
Provisions		426,340	474,029
TOTAL CURRENT LIABILITIES		1,738,990	2,057,209
NON-CURRENT LIABILITIES			
Provisions		10,201	6,768
TOTAL NON-CURRENT LIABILITIES		10,201	6,678
TOTAL LIABILITIES		1,749,191	2,063,977
NET ASSETS		16,171,230	15,018,701
EQUITY			
Issued capital	3	37,804,948	33,038,866
Share option reserve	4	1,388,094	960,561
Foreign currency translation reserve		(6,478)	(6,478)
Accumulated losses		(23,015,334)	(18,974,248)
TOTAL EQUITY		16,171,230	15,018,701

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Ordinary Shares	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	33,038,866	(19,004,194)	960,561	(6,478)	14,988,755
Comprehensive Income					
Loss for the period	-	(4,011,140)	-	-	(4,011,140)
Total comprehensive loss for the period	-	(4,011,140)	-	-	(4,011,140)
Transactions with owners in their capacity as owners					
Shares issued during the period	5,110,250	-	-	-	5,110,250
Share issue costs	(344,168)	-	-	-	(344,168)
Options issued during the period	-	-	33,370	-	33,370
Movement in valuation of options issued in prior periods	-	-	394,970	-	394,970
Option issue costs	-	-	(807)	-	(807)
Foreign currency translation movements	-	-	-	-	-
Balance at 31 December 2018	37,804,948	(23,015,334)	1,388,094	(6,478)	16,171,230
Balance at 1 July 2017	17,402,898	(11,557,836)	677,427	(4,850)	6,517,639
Comprehensive Income					
Loss for the period	-	(4,269,117)	-	-	(4,269,117)
Total comprehensive loss for the period	-	(4,269,117)	-	-	(4,269,117)
Transactions with owners in their capacity as owners					
Shares issued during the period	9,120,000	-	-	-	9,120,000
Share issue costs	(527,510)	-	-	-	(527,510)
Options issued during the period	-	-	9,747	-	9,747
Movement in valuation of options issued in prior periods	-	-	278,559	-	278,559
Foreign currency translation movements	-	-	-	(6,290)	(6,290)
Balance at 31 December 2017	25,995,388	(15,826,953)	965,733	(11,140)	11,123,028

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Half-year ended 31 Dec 2018 \$	Half-year ended 31 Dec 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,386,408	1,713,217
Interest received	7,652	41,841
Grants and rebates received	2,086,340	-
Other income	2,249	-
Payments to suppliers and employees	(6,487,015)	(6,693,958)
Interest and other costs of finance paid	-	124
Income tax paid	(2,087)	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(3,006,453)	(4,938,776)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(81,699)	(5,724)
Proceeds from the sale of plant and equipment	1,343	5,749
Payment for the acquisition of intangibles	(1,943,672)	(1,422,740)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(2,024,028)	(1,422,715)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share and option issues	5,110,250	9,120,000
Share raising costs	(344,975)	(527,508)
NET CASH FLOWS FROM FINANCING ACTIVITIES	4,765,275	8,592,492
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS HELD	(265,206)	2,231,001
Cash and cash equivalent at beginning of the financial period	8,345,698	3,404,552
Cash and cash equivalent at the end of the financial period	8,080,492	5,635,553

The accompanying notes form part of these financial statements.



NUHEARA LIMITED
ABN 29 125 167 133

It is important to read the following definitions in order to assist with understanding this report.

For the purposes of this report:

Nuheara IP Pty Ltd refers to the company purchased by Nuheara Limited on 25 February 2016. As required by Australian Accounting Standard *AASB3: Business Combinations*, Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd as at 25 February 2016 under the reverse acquisition rules.

Nuheara Limited or Listed Entity or Company means only the legal entity of Nuheara Limited, which is listed on the Australian Securities Exchange (ASX: NUH). Nuheara Limited is the legal parent of Nuheara IP Pty Ltd although it has been treated as the acquirer for accounting purposes in the financial statements.

Wild Acre Metals Limited (ASX: WAC) means Nuheara Limited and all its controlled entities prior to the purchase of Nuheara IP Pty Ltd. On 25 February 2016, the company's name was changed from Wild Acre Metals Limited to Nuheara Limited and the ASX code was subsequently changed from WAC to NUH.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, International Financial Reporting Standards as issued by the International Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2018 and any public announcements made by Nuheara Limited, during the reporting period, in accordance with the continuous disclosure requirements of the ASX listing rules.

This preliminary final report including any commentary on the Company results was authorised for issue in accordance with a resolution by the board of directors.

Going concern

For the half-year ended 31 December 2018 the Company has incurred a loss of \$4,011,140 and generated net operating cash outflows of \$3,006,453, as disclosed in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows, respectively. For the same period last year, the Group incurred a loss of \$4,269,117 and generated net operating cash outflows of \$4,938,776.

The Group's trading and cash flow forecasts for the 12-month period from the date of reporting indicate that there is some risk that it may not meet all of its payment obligations unless the Group is able to complete a successful equity/finance raising. These matters present a significant material uncertainty in relation to the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses from start-up phase into a more established business operation. The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- Ongoing growth in sales of IQbuds™ and IQbuds BOOST™ through expanding distribution channels;
- New products planned for release over the course of the next 12-months;
- New customers/contracts in optical, pharma, and audiology including Specsavers and the NHS in the UK;
- The recent appointment of a Chief Sales Officer, expected to generate increasing revenue;
- Active management of the current level of discretionary expenditure in line with the funds available to the Group; and
- Raising additional working capital through the issue of securities and/or other funding.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Going concern (continued)

After taking into account all available information, and track history of successful equity raisings, the Directors have concluded that there are currently reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable, to continue as a going concern, be in a position to realise its assets and settle its liabilities and commitments in the normal course of business, and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Group to continue as a going concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations, and at the amounts stated in the financial report. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group not continue as going concern.

2. SEGMENT INFORMATION

Operating segments

Nuheara Limited, Nuheara IP Pty Ltd and Nuheara Inc are operating within the hearing health sector and have been aggregated to one reportable segment given the similarity of the products manufactured for sale, method in which products are delivered, types of customers and regulatory environment.

At 31 December 2018, Wild Acre Metals (Peru) SAC held mining tenements in Peru and has been treated as a disposal group.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Estimated impairment of assets

The Group assesses impairment of its assets at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Where impairment has been triggered, assets are written down to their recoverable amounts. An impairment trigger includes operating losses and net cash outflows.

The ability of capitalised development costs to generate sufficient future economic benefits to recover the carrying amount is usually subject to greater uncertainty before the asset is available for use than after it is available for use. Judgement has been made in the estimation of future profitability and net cash flows in the assessment of fair value for capitalised development costs, and in the resulting determination that no impairment existed at balance date. Management acknowledges that a modest reduction in realised revenue growth against these forecasts may result in an impairment at a later date.

ii) Estimated warranty costs

Provision is made in respect of the Group's best estimate of the liability on all products under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to an industry average of warranty claims.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

iii) Valuation of options

Share-based payment transaction:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 6.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 6.

iv) Capitalisation of development costs

Under AASB 138: Intangible Assets, an entity is required to recognise an intangible asset if, and only if, certain criteria are met. Judgement has been made in the determination that research expenditure incurred during the year did not meet the definition of an intangible asset. The group has assessed the effective life of development assets to be 2.5 years.

v) Contingent Purchase Consideration

On 10 December 2015 Nuheara Limited (formerly Wild Acre Metals Limited) announced that its controlled entity, Wild Acre Metals (Peru) SAC, had entered into an acquisition agreement to acquire the Salvador exploration project from Teck Peru S.A., a subsidiary of Teck Resources Limited (Teck Agreement). Under the Teck Agreement, contingent purchase consideration of USD\$2m (production bonus) is payable to Teck Peru S.A. upon making a production decision. The production bonus is jointly and severally payable by the Group in the event of a disposal of the tenements to a third party. As the Group intends to dispose of its Peruvian subsidiary, including the mining tenements and liability for the production bonus, management has ascertained the probability of a production bonus being payable as being assessed at nil at balance date.

vi) Net Smelter Royalties

The Group holds an 80% interest in Terrace Gold Pty Ltd ("Terrace"). Terrace holds a 0.5% Net Smelter Royalty over the El Molino Gold Project and part of the El Galeno Copper Project located in Northern Peru, currently owned under joint venture by China Minmetals and Jiangxi Copper, and a 1.5% Net Smelter Royalty over the Mt Ida gold project located in Western Australia.

Management has ascertained that the probability of Net Smelter Royalty revenue was nil at balance date.

vii) Assets held for sale

Judgement was used in the determination that mining interests in Australia and Peru met the requirements for classification as disposal groups under AASB 5: *Non-Current Assets held for Sale and Discontinued Operations*.

3. ISSUED CAPITAL

	31 Dec 2018	30 June 2018	31 Dec 2017
	\$	\$	\$
(i) Issued and Paid Up Capital:			
960,660,390 Ordinary shares, fully paid (30 June 2018: 891,473,723 / 31 December 2017: 798,315,828)	37,804,948	33,038,866	25,995,389

(ii) Movements during the period

	31 Dec 2018	31 Dec 2018
	No.	\$
Opening Balance at 1 July 2018	891,473,723	33,038,866
10 December 2018 issued 2,250,000 shares on exercise of options \$0.04 each	2,250,000	90,000
10 December 2018 Issued 66,936,667 shares under share placement at \$0.075	66,936,667	5,020,250
Less: Share issue costs	-	(316,980)
Balance shares at 31 December 2018	960,660,390	37,832,136

	31 Dec 2017	31 Dec 2017
	No.	\$
Opening Balance at 1 July 2017	697,489,746	17,402,898
17 July 2018 issued 750,000 shares on exercise of options \$0.04 each	750,000	30,000
20 July 2018 issued 2,250,000 shares on exercise of options \$0.04 each	2,250,000	90,000
20 July 2017 issued 97,826,082 shares under share placement at \$0.092 each	97,826,082	9,000,000
Less: Share issue costs	-	(527,509)
Balance shares at 31 December 2017	798,315,828	25,995,389

(iii) Holders of Ordinary Shares

Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

4. SHARE OPTION RESERVE	31 Dec 2018 \$	30 June 2018 \$	31 Dec 2017 \$
(i) Unlisted options:			
86,750,000 (30 June 2018: 78,000,000 / 31 December 2017: 100,000,000) unlisted options	1,388,094	960,561	965,733
(ii) Movements during the period			
Opening Balance at 1 July 2018		31 Dec 2018 No.	31 Dec 2018 \$
Issue of Employee options @ \$0.09 each on 17 September 2018		78,000,000	960,561
Issue of Employee options @ \$0.09 each on 10 December 2018		9,500,000	32,587
Less: Options exercised		1,500,000 (2,250,000)	783 -
Movement in valuation of options issued in prior reporting periods		-	394,163
Balance unlisted options at 31 December 2018		86,750,000	1,388,094
Opening Balance at 1 July 2017		31 Dec 2017 No.	31 Dec 2017 \$
14 July 2017 issued Employee options @ \$0.09 each		107,319,445	677,427
24 July 2017 issued Employee options @ \$0.115 each		1,000,000	1,459
10 November 2017 issued Employee options @ \$0.09 each		3,000,000	7,351
Less: Options forfeited		1,000,000	937
Less: Options exercised		(9,319,445)	-
Movement in valuation of options issued in prior reporting periods		(3,000,000)	(45,079)
Balance unlisted options at 31 December 2017		100,000,000	965,733
5. EARNINGS PER SHARE		Half year ended 31 Dec 2018 Cents	Half year ended 31 Dec 2017 Cents
Basic loss per share (cents per share)		(0.45)	(0.54)
Diluted loss per share (cents per share)		(0.41)	(0.48)
Basic loss per share:		Half year ended 31 Dec 2018 \$	Half year ended 31 Dec 2017 \$
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:			
Loss		(4,001,126)	(4,269,117)
Weighted average number of ordinary shares – basic loss per share		Half year ended 31 Dec 2018 No.	Half year ended 31 Dec 2017 No.
Weighted average number of ordinary shares – diluted loss per share		894,246,231	784,653,317
		974,050,420	798,315,828

6. SHARE BASED PAYMENTS

	Half year ended 31 Dec 2018 \$	Half year ended 31 Dec 2017 \$
Expense arising from options issued to employees	428,340	288,306

The following share-based payment arrangements existed:

- (a) There were no shares or options granted to key management personnel during the half-year ended 31 December 2018
- (b) Shares and options issued to non-KMP are as follows:

Grant Date	No. of Options
17/09/2018	9,500,000
10/12/2018	1,500,000

A summary of the movements of all Group option issues is as follows:

	No.	Weighted Average Exercise Price
Options outstanding and exercisable as at 30 June 2017	107,319,445	\$0.07
Granted	14,000,000	\$0.10
Forfeited	(10,319,445)	-
Exercised	(33,000,000)	-
Options outstanding and exercisable as at 30 June 2018	78,000,000	\$0.07
Granted	11,000,000	\$0.09
Exercised	(2,250,000)	-
Options outstanding and exercisable as at 31 December 2018	86,750,000	\$0.08

The weighted average remaining contractual life of options outstanding at year end was 1.04 years (30 June 2018: 1.28 years/31 December 2017: 1.55 years). The weighted average exercise price of outstanding options at the end of the reporting period was \$0.08 (30 June 2018: \$0.07 / 31 December 2017: \$0.07).

The fair value of options granted during the half-year was \$381,430 (30 June 2018: \$447,125 / 31 December 2017: \$89,390). These values were calculated using the Black-Scholes option pricing model, applying the following inputs:

	Employees	Employees
Grant Date	17/09/2018	10/10/2018
Share price on issue date	\$0.084	\$0.069
Expected volatility	100%	100%
Exercise price	\$0.09	\$0.09
Expiry date	17/09/2020	10/12/2020
Risk free interest rate	1.50%	1.50%
Number issued	9,500,000	1,500,000
Value per option	\$0.051	\$0.039
Total	\$340,480	\$40,950

Historical share price volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future volatility.

There were no equity-settled share-based payment transactions during the period (30 June 2018: \$283,134 / 31 December 2017: \$nil).

7. OTHER INCOME	Half year ended 31 Dec 2018 \$	Half year ended 31 Dec 2017 \$
Interest income	50,417	45,588
Grants and rebates received	2,086,340	-
Sundry income	2,249	-
Total other income	2,139,006	45,588

8. INTANGIBLE ASSETS	31 Dec 2018 \$	30 June 2018 \$
Development costs – at cost	8,137,880	6,333,580
Less: accumulated amortisation and impairment losses	(3,610,593)	(2,130,535)
Net carrying amount	4,527,287	4,203,045
Patents & Trademarks – at cost	490,219	350,846
Less: accumulated amortisation and impairment losses	(41,322)	(20,194)
Net carrying amount	448,897	330,652
Total intangible assets	4,976,184	4,533,697

9. CONTINGENT LIABILITIES

There are no known contingent liabilities.

10. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no events subsequent to the end of the reporting period that would have a material effect on these financial statements.

DIRECTORS' DECLARATION

The Directors of Nuheara Limited declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards which, as stated in the accounting policy Note 1 to the financial statements, constitutes compliance with International Accounting Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the half year ended on that date of the Company;
2. the Directors have given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer;
3. in the Directors' opinion, there are reasonable grounds to believe that the Company 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 Board of Directors.

On behalf of the Board of Directors:



Justin Miller
Managing Director/Chief Executive Officer

Perth, 20 February 2019

Independent Auditor's Review Report To the Members of Nuheara Limited

REPORT ON THE HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Nuheara Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Nuheara Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nuheara Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

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 Nuheara Limited 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 performance for the half-year ended on that date;
- (ii) and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

Without modifying our opinion, we draw attention to the following matter. As a result of the matters disclosed in Note 1a) "Going Concern" of the financial report, there is material uncertainty whether the Group can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the Group to continue as a going concern is dependent upon its ability to generate sufficient cash surpluses from sales of IQ buds and IQbuds BOOST through expanding distribution channels, release of new product lines, management of the current level of discretionary expenditure in line with the funds available to the Group, and an equity raising.

Walker Wayland WA Audit Pty Ltd

WALKER WAYLAND WA AUDIT PTY LTD

Richard Gregson

Richard Gregson CA
Director
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Dated this 20th day of February 2019.