



ELEMENTOS LIMITED

ABN 49 138 468 756

CONSOLIDATED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014



Your directors submit the financial report of the consolidated Group for the half-year ended 31 December 2014.

Directors

The following persons were Directors of the Company during or since the end of the financial period:

C Nolan
R P Seville
C P Treacy
R V Anthon (appointed 1 January 2015)

Review of Operations

The Group's operating loss for the half-year, after applicable income tax was \$2,107,495. Exploration and evaluation expenditure during the period totalled \$637,974.

At 31 December 2014, the Group's net assets totalled \$6,008,687, which included cash assets of \$1,112,382.

During the period, the Company completed a number of capital raisings, including a rights issue and several private placements, to raise a total of \$1,543,948, before equity raising costs of \$67,760. In addition, shares to the value of \$28,348 were issued as part of the Directors' Salary Sacrifice Plan.

Management and Director Changes

During the period, two key personnel joined the Company:

- **Tim McManus**, an experienced geologist and manager was appointed as Chief Operating Officer, to drive the development of the Cleveland tin-copper and tungsten assets in Tasmania focusing on the Cleveland tailings project; and,
- **Rick Anthon**, a highly experienced lawyer and director, was appointed as Non-executive Chairman. Rick brings a wealth of experience to the board with a strong legal and commercial background that will be invaluable as the Company approaches project financing negotiations for the development of the Cleveland tailings project.

Review of Projects

The Company's principle activities are the development of its advanced stage tin-copper and tungsten deposits at Cleveland in Tasmania, Australia.

The Cleveland Mine Redevelopment incorporates a number of assets including:

- Tin-copper tailings project - a low-capital, tin and copper tailings Mineral Resource;
- Hard-rock tin-copper mine - a shallow, tin-copper Mineral Resource;
- Hard-rock tungsten resource - a large porphyry tungsten deposit approximately 400 metres below the surface accessed via the underground tin-copper mine; and
- A significant package of exploration properties in the Cleveland district prospective for tin, copper and silver-lead-zinc exploration.



The Company's short-term strategy is the development of the low capital tailings project, with first production planned for the 2016/17 financial year. Surplus cash flows will be utilised for the redevelopment of the Cleveland mine.

In addition, the Company has two prospective copper projects, Millenium and Selwyn Range, in North Queensland, which are being explored by joint venture partners.

Cleveland Mine Redevelopment

During the period, the Company continued development, assessment and exploration of its tin-copper, tungsten and silver-lead-zinc assets at Cleveland.

The tailings project development activities included the on-going preparation of a Pre-Feasibility Study ("PFS"), Mining Lease Application, and Development Proposal and Environmental Management Plan, all due for completion in early 2015.

The Company also completed further metallurgical testing and preliminary regional and mine-site exploration at Cleveland. The results of this work are detailed below.

Cleveland Tailings - Metallurgical Tests

During the period, the Company completed a metallurgical test program on the tailings Mineral Resource, to confirm the potential tin recoveries achievable by traditional mineral processing methods. The testwork provided positive results, indicating a recovery of 50% of tin to a concentrate (50% tin by dry weight) could be expected using gravity and flotation technologies. The results of this work are a key input to the PFS currently being completed.

Cleveland Exploration

A trial soil sampling program was completed at the Godkin Zone, two kilometres south of the Cleveland tin mine. Two large base metal soil anomalies were delineated in an area of previously reported high-grade silver, lead and zinc sampling. The aim of the soil sampling program was to test a technique for identifying mineralised structures that are not clearly visible on surface over a wide area. The selective sampling and trial soil sampling programs have demonstrated the strong base metal potential of the Godkin zone.

The Company also reported the results of a selective surface sampling program of mineralised outcrops and historical spoil dumps in and around the historic Hall's open cut, which sits directly above the Cleveland underground mine. The results from this program justify future exploration for extensions of the Hall's Lode not previously mined. This preliminary work is encouraging, and the Company plans to further exploration programs in 2015.

Joint Venture Projects

Selwyn Range Project, Queensland, Australia

The joint venture agreement with Below Ground Technology Pty Ltd was finalised during the period. There were no exploration activities at Selwyn Range.

Millenium Project, Queensland, Australia

During the period, the Company's joint venture partners, Chinalco Yunnan Copper Resources Ltd (ASX: CYU), were assessing potential targets for a drilling program at Millenium, indicatively scheduled for early 2015.

Santo Domingo, Argentina

The Company was unable to complete its joint venture negotiations on suitable terms. The Company elected to cease option payments, and withdrew from the project.

Subsequent Events

No other material matters or circumstances have arisen since the balance date.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this financial report.

Signed in accordance with a resolution of the Board of Directors.



Calvin Treacy
Managing Director

Signed: 11 March 2015
Brisbane, Queensland

DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF ELEMENTOS LIMITED

As lead auditor for the review of Elementos Limited for the half-year ended 31 December 2014, 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 Elementos Limited and the entities it controlled during the period.



A J Whyte

Director

BDO Audit Pty Ltd

Brisbane, 11 March 2015

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
Revenue	2	63,996	5,928
Less expenses:			
Corporate and administrative expenses		(267,249)	(343,235)
Listing expenses		-	(200,636)
Exploration and evaluation expenditure		-	(21,169)
Write-off of exploration and evaluation expenditure		(1,904,242)	-
Impairment of exploration and evaluation assets		-	(298,872)
Loss before income tax expense		(2,107,495)	(857,984)
Income tax expense		-	-
Loss for the period attributable to members of the parent entity		(2,107,495)	(857,984)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign currency translation gain/(loss)		(144,116)	(62,554)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		(144,116)	(62,554)
Total comprehensive income attributable to members of the parent entity		(2,251,611)	(920,538)
Basic earnings per share (cents per share)		(0.29)	(0.34)
Diluted earnings per share (cents per share)		(0.29)	(0.34)

The accompanying notes form part of this financial statement.

ELEMENTOS LIMITED and CONTROLLED ENTITIES**ABN 49 138 468 756****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2014**

	Note	31 Dec 2014	30 June 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,112,382	682,689
Trade and other receivables		38,413	25,527
Other current assets		43,756	14,406
Total Current Assets		1,194,551	722,622
NON-CURRENT ASSETS			
Exploration and evaluation assets	3	4,980,312	6,456,348
Property, plant and equipment		34,057	36,060
Other non-current assets		13,950	26,047
Total Non-Current Assets		5,028,319	6,518,455
TOTAL ASSETS		6,222,870	7,241,077
CURRENT LIABILITIES			
Trade and other payables	4	214,183	485,315
Total Current Liabilities		214,183	485,315
TOTAL LIABILITIES		214,183	485,315
NET ASSETS		6,008,687	6,755,762
EQUITY			
Issued capital	9	12,428,704	10,924,168
Reserves		(674,875)	(530,759)
Accumulated losses		(5,745,142)	(3,637,647)
TOTAL EQUITY		6,008,687	6,755,762

The accompanying notes form part of this financial statement.

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	4,998,940	(2,145,991)	-	-	2,852,949
Loss for the period	-	(857,984)	-	-	(857,984)
Other comprehensive income for the period	-	-	-	(674,875)	(674,875)
Total comprehensive income	-	(857,984)	-	(674,875)	(1,532,859)
Shares issued during the period					
- Rockwell Minerals Ltd	244,530	-	-	-	244,530
- Elementos Ltd	1,391,081	-	-	-	1,391,081
Total shares issued during the period	1,635,611	-	-	-	1,635,611
Transaction costs	(19,258)	-	-	-	(19,258)
Deemed value of notional merger shares issued	2,841,749	-	-	-	2,841,749
Balance at 31 December 2013	9,457,042	(3,003,975)	-	(674,875)	5,778,192
Balance at 1 July 2014	10,924,168	(3,637,647)	64,170	(594,929)	6,755,762
Loss for the period	-	(2,107,495)	-	-	(2,107,495)
Other comprehensive income for the period	-	-	-	(144,116)	(144,116)
Total comprehensive income	-	(2,107,495)	-	(144,116)	(2,251,611)
Shares issued during the period					
- Shares issued due to capital raising	1,543,948	-	-	-	1,543,948
- Equity settled compensation	28,348	-	-	-	28,348
Total shares issued during the period	1,572,296	-	-	-	1,572,296
Transaction costs	(67,760)	-	-	-	(67,760)
Balance at 31 December 2014	12,428,704	(5,745,142)	64,170	(739,045)	6,008,687

The accompanying notes form part of this financial statement.

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 Dec 2014	31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments due to suppliers and employees	(473,077)	(457,304)
Interest received	18,415	4,088
Consulting fees	45,581	-
Net cash used in operating activities	(409,081)	(453,216)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(637,974)	(587,562)
Cash acquired on purchase of subsidiary	-	149,056
Net cash used in investing activities	(637,974)	(438,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,543,948	1,623,530
Costs associated with share issue	(67,760)	(19,258)
Equity received in advance	-	145,000
Net cash provided by (used in) financing activities	1,476,188	1,749,272
Net increase in cash held	429,133	857,550
Cash at beginning of period	682,689	143,733
Effect of exchange rates on cash holdings in foreign currencies	560	1,270
Cash at end of period	1,112,382	1,002,553

The accompanying notes form part of this financial statement.

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". The historical cost basis has been used.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Elementos Limited (the "Company") as at 30 June 2014, together with public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2014 Annual Report. There has been no new or revised Australian Accounting Standards issued by the AASB that materially affected the Company in the current period.

Going Concern

The financial statements have been prepared on a going concern basis. The going concern basis contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Group to continue to adopt the going concern basis is dependent on a number of matters including the successful raising in the future of necessary funding and/or the successful exploration and subsequent exploitation of the Group's tenements.

In the event that the Group is unable to raise its future funding requirements, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Group may then be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provision for costs which may arise as a result of cessation or curtailment of normal business operations.

NOTE 2: RESULTS FOR THE PERIOD

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

	31 Dec 2014	31 Dec 2013
	\$	\$
Interest received from other persons	18,415	5,928
Consulting fees - other	45,581	-
Depreciation and amortisation	(2,957)	(3,892)
Listing expenses	-	(200,636)

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2014	30 June 2014
	\$	\$
Exploration and evaluation expenditure carried forward in respect of the areas of interest are:		
Exploration and evaluation expenditure - at cost	4,980,312	6,062,060
Less impairment provision	-	(298,872)
Total exploration and evaluation expenditure	4,980,312	5,763,188

Movement in exploration and evaluation assets:

	31 Dec 2014	31 Dec 2013
	\$	\$
Opening balance - at cost (1 July)	6,456,348	2,879,676
Capitalised exploration expenditure	428,206	537,640
Capitalised expenditure acquired on merger	-	2,750,000
Impairment provision	-	(298,872)
Capitalised expenditure written off	(1,904,242)	-
Foreign currency translation movement	-	(105,256)
Carrying amount at the end of period (31 Dec)	4,980,312	5,763,188

Elementos Ltd completed a merger transaction during the previous period with Rockwell Minerals Ltd. As part of this merger, exploration expenditure with a fair value of \$2,750,000 was acquired by the Group.

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively through the sale of the areas of interest.

The exploration and evaluation expenditure for Santo Domingo was written off during the period, which resulted in \$1,904,242 being expensed to the profit and loss statement.

NOTE 4: TRADE AND OTHER PAYABLES

	31 Dec 2014	30 June 2014
	\$	\$
Current:		
Trade payables and accrued expenses	209,316	476,813
Short term employee benefits	4,867	8,502
Total payables (unsecured)	214,183	485,315

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 5: COMMITMENTS

Exploration Commitments

The Group must meet minimum expenditure commitments in relation to maintaining tenements in good standing.

The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases.

	31 Dec 2014	30 June 2014
	\$	\$
Not later than 1 year	448,896	1,443,579
Later than 1 year but not later than 5 years	-	1,921,057
Total commitment	<u>448,896</u>	<u>3,364,636</u>

NOTE 6: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to reporting date that required disclosure in this financial report.

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 8: SEGMENT REPORTING

Description of Segments

Operating segments have been determined on the basis of reports reviewed by the chief operating decision maker. The Managing Director (the "MD") is considered to be the chief operating decision maker of the group. The MD assesses and reviews activities based on each area of interest. Each area of interest is aggregated on a geographic basis to form a reportable segment. The Group's development activities in Australia are primarily focused around tin and copper. The Group's exploration activities in each area of interest in Argentina and Chile were primarily centered around gold and copper. The Group's reportable segments are Australia, Chile and Argentina.

Information provided to the Managing Director

Segment information provided to the managing director for the six months ended 31 December 2014 for the Group and is as follows:

31 December 2014	Australia	Chile	Argentina	Total
	\$	\$	\$	\$
Segment Profit or Loss Before Tax	(20,928)	9,287	(1,933,740)	(1,945,381)
31 December 2013	Australia	Chile	Argentina	Total
	\$	\$	\$	\$
Segment Profit or Loss Before Tax	(21,395)	(302,717)	(29,395)	(353,507)
Segment Assets	Australia	Chile	Argentina	Total
	\$	\$	\$	\$
31 December 2014	5,047,309	-	8,612	5,055,921
30 June 2014	4,643,100	13,187	1,792,868	6,449,155
Segment Liabilities	Australia	Chile	Argentina	Total
	\$	\$	\$	\$
31 December 2014	(116,034)	-	(7,541)	(123,575)
30 June 2014	(412,254)	(6,638)	(21,127)	(440,019)

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 8: SEGMENT REPORTING (CONT)

Other Segment Information

Segment profit or loss before tax excludes corporate revenue and expenses. Segment profit or loss before tax reconciles to total profit or loss before tax as follows:

	31 Dec 2014	31 Dec 2013
	\$	\$
Segment profit or loss before tax	(1,945,381)	(353,507)
Interest received from other persons	18,415	5,928
Consulting fees - other	45,581	-
Corporate and other expenses	(226,110)	(510,405)
Profit or loss before tax	<u>(2,107,495)</u>	<u>(857,984)</u>

Segment assets and liabilities exclude corporate assets and liabilities. Segment assets and liabilities reconcile to total assets and liabilities as follows:

	31 Dec 2014	30 June 2014
	\$	\$
Segment assets	5,055,921	6,449,155
Corporate assets	1,166,949	791,922
Total assets	<u>6,222,870</u>	<u>7,241,077</u>

	31 Dec 2014	30 June 2014
	\$	\$
Segment liabilities	(123,575)	(440,019)
Corporate liabilities	(90,608)	(45,296)
Total liabilities	<u>(214,183)</u>	<u>(485,315)</u>

ELEMENTOS LIMITED and CONTROLLED ENTITIES
ABN 49 138 468 756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 9: ISSUED CAPITAL

	31 Dec 2014	30 June 2014
	\$	\$
(a) Issued and paid up capital		
Ordinary shares fully paid	12,496,464	10,983,962
Share issue costs	(67,760)	(59,794)
	12,428,704	10,924,168

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise each shareholder has one vote on show of hands.

	31 Dec 2014		31 Dec 2013	
	Number of shares	\$	Number of shares	\$
(b) Reconciliation of issued and paid-up capital				
Opening balance as at 1 July	633,310,870	10,924,168	70,390,006	4,998,940
Shares issued (1)	83,186,790	998,241	-	-
Shares issued (2)	40,315,384	483,785	-	-
Shares issued (3)	2,000,230	24,002	-	-
Shares issued (4)	1,403,366	14,174	-	-
Shares issued (5)	2,402,372	14,174	-	-
Shares issued (6)	3,160,000	37,920	-	-
Rockwell shares issued prior to merger	-	-	8,890,000	244,530
Reversal of existing shares on merger	-	-	(79,280,006)	-
Existing Elementos shares on issue	-	-	188,638,746	-
Issue of Elementos shares on acquisition of Rockwell Minerals Ltd	-	-	277,480,026	2,841,749
acquisition	-	-	69,582,507	1,391,081
Closing Balance as at 31 December	765,779,012	12,496,464	535,701,279	9,476,300

(1) On 25 July 2014, 83,186,790 \$0.012 ordinary shares were issued by Elementos Ltd as part of a rights issue.

(2) On 11 August 2014, 40,315,384 \$0.012 ordinary shares were issued by Elementos Ltd as part of a rights issue shortfall placement.

(3) On 11 August 2014, 2,000,230 \$0.012 ordinary shares were issued by Elementos Ltd as part of a private placement.

(4) On 2 October 2014, 1,403,366 \$0.0101 ordinary shares were issued by Elementos Ltd as part of a salary sacrifice program.

(5) On 23 December 2014, 2,402,372 \$0.0059 ordinary shares were issued by Elementos Ltd as part of a salary sacrifice program.

(6) On 23 December 2014, 3,160,000 \$0.012 ordinary shares were issued by Elementos Ltd as part of a placement approved at the AGM held on 26 November 2014.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.

2. 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.



R Anthon
Chairman



C Treacy
Managing Director

Signed: 11 March 2015
Brisbane, Queensland

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elementos Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elementos Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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 ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2014 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 Elementos 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 Elementos Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Elementos Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd

BDO



A J Whyte
Director

Brisbane, 11 March 2015