

Mozambi Resources Limited
(formerly Mozambi Coal Limited)

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Interim Financial Report for the half-year ended
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Corporate Directory

Directors

Mr Robert Hemphill – Non-executive Chairman

Mr Alan Armstrong – Executive Director

Mr Julian Jarman – Non-executive Director

Auditors

HLB Mann Judd

Level 4, 130 Stirling Street

Perth WA 6000

Company Secretary

Mr Adrien Wing

Share Registry

Advanced Share Registry Services

150 Stirling Highway

Nedlands, WA 6009

Tel: (+618) 9389 8033

Registered and Principal Administration Office

Level 17, 500 Collins Street

Melbourne VIC 3000

Solicitors

Steinepreis Paganin

Level 4, 16 Milligan Street

Perth WA 6000

Securities Exchange Listing

Australian Securities Exchange

Home Exchange: Perth, Western Australia

Code: MOZ

Website

www.mozambicoal.com.au

Directors' Report

The Directors of Mozambi Resources Limited (formerly Mozambi Coal Limited) present their report on the Consolidated Entity consisting of Mozambi Resources Limited ("the Company" or "MOZ") and the entities it controlled during the half-year ended 31 December 2014 ("Consolidated Entity" or "Group").

Directors

The names of the Directors of MOZ in office during the half-year and until the date of this report are:

Mr Robert Hemphill – Non-Executive Chairman

Mr Alan Armstrong – Executive Director (appointed 1 December 2014)

Mr Julian Jarman – Non-Executive Director

Mr Alex Neuling – Executive Director (resigned 1 December 2014)

Principal Activities

During the period the principal activities of the Consolidated Entity were related to coal exploration in Queensland, Australia and in Mozambique.

Review of Operations & Changes in State of Affairs

Activities for the December half year remained primarily focussed on the Company's Bowen River project (EPC 1768).

In light of challenging industry conditions and other factors, the Company applied for and was granted a licence variation in respect of its expenditure and relinquishment obligations for EPC 1768 from the Department of Natural Resources and Mines in Queensland (**DNRM**).

Following the approval of the variation, all expenditure and relinquishment obligations for the licence period ending 31 December 2014 were met. The Company has also worked together with consultants to identify a potential reduced-scale phase 1 drilling program which could be conducted on existing road reserve areas, without any requirement for separate landholder compensation arrangements with pastoral leaseholders and is evaluating its options in this respect.

Subsequent to the half-year end, the Company announced the signing of a terms sheet granting the Company the option to acquire two highly prospective license applications in the graphite rich Balama-Montepuez region of Mozambique.

The licenses are currently under application with the Mozambique Mines Ministry with granting of the licenses anticipated in the near future.

These licenses are in close proximity to the two largest graphite and vanadium deposits in the world, held by ASX listed entities Triton Minerals Ltd and Syrah Resources Ltd:

Syrah Resources (ASX: SYR) Balama Deposit 1.15 Bt @ 10.2% graphitic carbon and 0.23 % V₂O₅¹

Triton Minerals (ASX: TON) Nicanda Hill Deposit 1.457 Bt @ 10.7% graphitic carbon and 0.27% V₂O₅²

License 6142L is contiguous with Triton Minerals' Nicanda Hill Project. A map of the tenement location is shown in Figure 1. According to Triton Minerals, Nicanda Hill is the largest known graphite-vanadium deposit in the world.

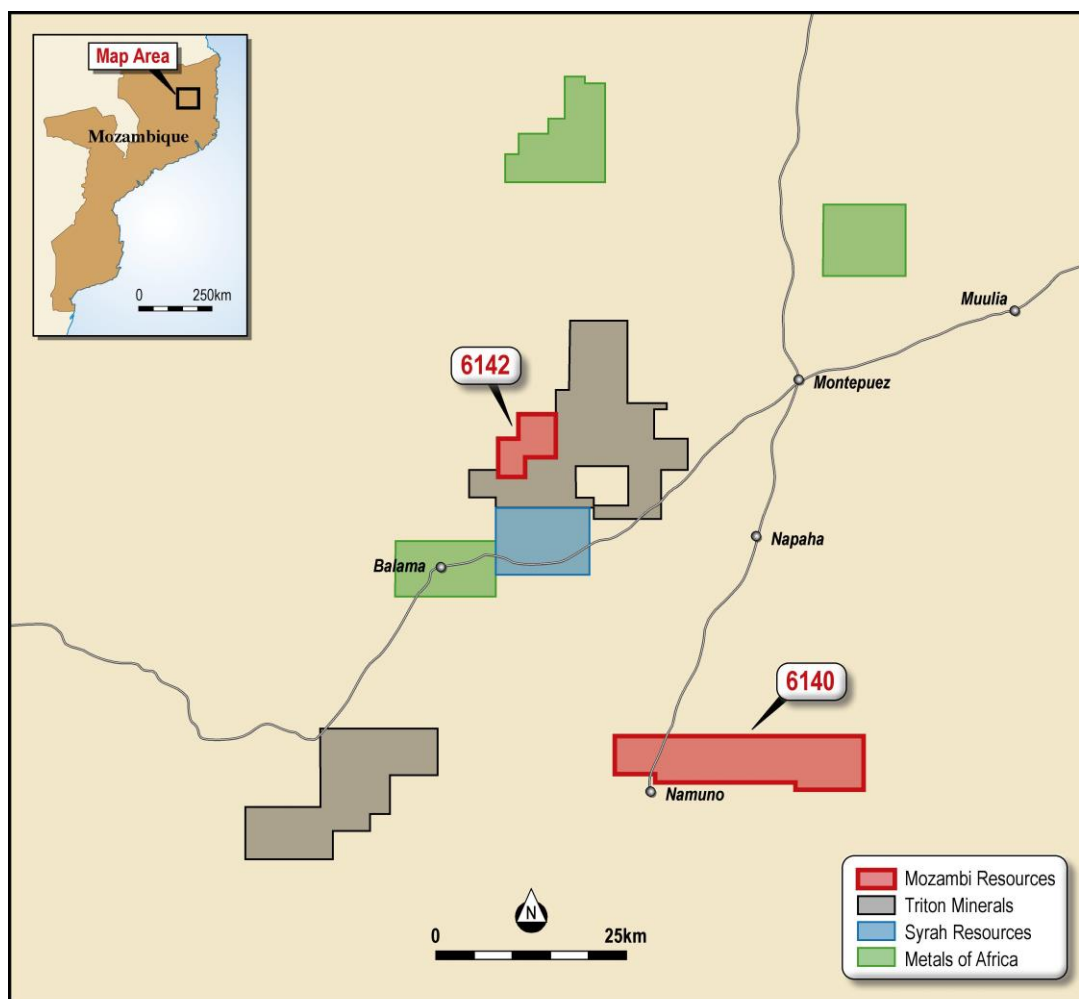
Directors' Report

Review of Operations & Changes in State of Affairs (continued)

Syrah's mining concession for the Balama Project is also approximately 5km to the south of 6142L. A mining license has recently been granted for this project.

Metals of Africa also recently announced a high grade, near surface graphite intersection at its Buffalo Prospect of **145.59m @ 9.60% Total Graphitic Carbon and 0.12% Vanadium from 34m, including up to 33.8% Total Graphitic and 0.26% Vanadium**³. This project is located approximately 30km north of 6142L (see Figure 1 below) and provides greater confidence of the potential of 6142L.

Figure 1



The Company is also pleased with the potential of License 6140L, as this licence area is largely underexplored.

The underlying geology of the tenements is high grade metamorphic rocks of the Mozambique mobile belt which stretches from Mozambique in the south to the Red Sea in the north marking a continent scale suture. The belt comprises rocks that have undergone intense deformation, and as a result contains high-grade metamorphic rocks up to granulite level.

Directors' Report

Review of Operations & Changes in State of Affairs (continued)

Where the initial host rock contains carbon, this is typically converted into graphite at this metamorphic grade during the metamorphic process and there are widespread graphite occurrences throughout the belt. Several areas within the mobile belt are known to host large tonnage graphite deposits, typically with a relatively high proportion of larger flakes sizes. The deposits that have been identified to date are primarily in Mozambique and Tanzania to the north.

The Company has carried out all possible preliminary work to date and intends to scale-up onsite fieldwork as soon as possible following receipt of final approval from the Mozambique government.

This indicative fieldwork will include a program of:

- Trenching
- Rock chip sampling
- Mapping
- Potentially ground geophysical surveys

This fieldwork will be aimed at confirming the theory that license area 6142L contains a continuation of the same stratigraphic unit hosting that occurs at the Balama and Nicanda Hill Deposits.

Work at defining targets on license area 6140L will occur concurrently and the Company hopes to identify priority targets that will then be drill tested in order to define JORC compliant mineral resources.

Corporate & Finance

During November 2014, the Company held its 2014 AGM, whereby all resolutions were passed without amendment. Forming part of the 2014 AGM, shareholders approved the Company's change of name from "Mozambi Coal Limited" to "Mozambi Resources Limited".

In December 2014, a number of key management personnel changes took place, with the Company appointing Mr. Alan Armstrong as Executive Director and Mr Adrien Wing as Company Secretary.

Mr Alexander Neuling (Director and Company Secretary) and Ms Natalie Madden (Company Secretary) resigned during the quarter.

In December 2014, the Company undertook a placement to sophisticated and exempt investors of Alignment Capital Pty Ltd to raise \$318,000 through a placement of 52,999,998 fully paid ordinary shares priced at 0.6 cents (\$0.006) per share.

The shares were issued in accordance with the Company's placement capacity under Chapter 7 of the ASX Listing Rules. Participants in the placement also received one free option exercisable at 2 cents (\$0.02) expiring on or before 31 December 2017 for every two new shares issued.

The attaching options were approved by shareholders at the Shareholders' Meeting, which was held on 20 February 2015.

Directors' Report

Review of Operations & Changes in State of Affairs (continued)

All resolutions considered at that meeting were passed by shareholders without amendment, including refreshing our placement capacity under Chapter 7 of the ASX Listing Rules. This allows the Company flexibility to consider many different financing options to fund our continuing exploration programs into the future.

Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Matt Bull, a Competent Person who is a member of Australian Institute of Geoscientists. Mr Bull is a consultant to Mozambi Resources. Mr Bull has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Matt Bull consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Results

The Consolidated Entity recorded a loss after tax for the half-year ended 31 December 2014 of \$150,246 (2013: \$161,073).

Subsequent Events

At an Extraordinary General Meeting held on 20 February 2015, shareholders approved the following resolutions:

1. The ratification of a prior share placement of 52,999,998 shares at \$0.006.
2. The placement of 26,499,999 Options attaching free to shares issued under resolution 1. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
3. The issue of 3,000,000 Related Party Options to Mr Alan Armstrong. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
4. The issue of 3,000,000 Options to Mr Adrien Wing. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
5. Approval for the Company to issue up to 50,000,000 Options at an issue price of \$0.001 per Option to raise up to \$50,000 (Options Placement).
6. Approval for the Company to issue up to 5,000,000 Options to Subiaco Capital Pty Ltd in consideration for fees associated with the Placement as set out in Resolution 1 above. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).

An additional 2,500,000 shares at \$0.008 per share and 2,000,000 Options were issued on 26 February 2015 in lieu of consulting services provided. The Options are exercisable at \$0.02 and expire on or before 31 December 2017.

Subsequent to the half-year end, the Company announced the signing of a terms sheet granting the Company the option to acquire two highly prospective license applications in the graphite rich Balama-Montepuez region of Mozambique. The licenses are currently under application with the Mozambique Mines Ministry with granting of the licenses anticipated in the near future.

There has not been any matter or circumstance, other than as referred to above or matters disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

¹ <http://www.syrhresources.com.au/OurBusiness/OurProjects/BalamaMozambique.aspx>

² ASX Announcement (ASX:TON) 21 October 2014 – "Nicanda Hill Maiden JORC Resource"

³ ASX Announcement (ASX:MTA) 4 March 2015 – "High Grade Graphite Discovery at Montepuez Central"

Directors' Report

Future Developments

Other than as disclosed herein, the Directors believe that disclosure of further information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, such information has not been disclosed in this report.

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 7 of the half-year financial report.

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

On behalf of the Directors



ALAN ARMSTRONG

Director

16 March 2015



Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Mozambi Resources Limited (formerly Mozambi Coal Limited) for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

**Perth, Western Australia
16 March 2015**

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

**L Di Giallonardo
Partner**



Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mozambi Resources Limited (formerly Mozambi Coal Limited)

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mozambi Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year 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 Group'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 the company, 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*.



Accountants | Business and Financial Advisers

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 Mozambi Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 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 the *Corporations Regulations 2001*.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 1 to the half-year financial report which indicates that in order to continue as a going concern, the Group is dependent on obtaining additional funding. If the Group is unable to obtain sufficient additional funding, there exists a material uncertainty that may cast significant doubt over whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
16 March 2015

Directors' Declaration

The Directors of Mozambi Resources Limited (formerly Mozambi Coal Limited) declare that:

- (a) The financial statements of the Consolidated Entity and notes thereto are in accordance with the Corporations Act 2001, and
 - i. give 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
 - ii. comply with Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



ALAN ARMSTRONG

Director

16 March 2015

MOZAMBI RESOURCES LIMITED

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Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2014

	31 Dec 2014	31 Dec 2013
	\$	\$
Revenue	-	1,192
Investment income	2,109	11,195
Other gains and losses	-	(8,782)
Office costs	(16,891)	(35,142)
Corporate management costs	(108,905)	(112,060)
Corporate compliance costs	(37,386)	(40,017)
Evaluation expenses	-	(5,000)
Foreign exchange gain	10,827	37,129
Other expenses from ordinary activities	-	(9,588)
Loss before income tax	(150,246)	(161,073)
Income tax expense	-	-
Net loss for the half-year	(150,246)	(161,073)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	1,862	(33,293)
Total comprehensive loss for the half-year	(148,384)	(194,366)
Loss attributable to:		
Owners of the parent	(150,246)	(169,722)
Non-controlling interests	-	8,649
	(150,246)	(161,073)
Total comprehensive loss attributable to:		
Owners of the parent	(153,289)	(203,015)
Non-controlling interests	4,905	8,649
	(148,384)	(194,366)
Loss per share (cents per share)		
Basic loss per share	(0.07)	(0.14)
Diluted loss per share	(0.07)	(0.14)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

MOZAMBI RESOURCES LIMITED

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Condensed Consolidated Statement of Financial Position

As at 31 December 2014

		31 Dec 2014	30 Jun 2014
		\$	\$
Assets	Note		
Current assets			
Cash and cash equivalents		647,339	515,075
Trade and other receivables		27,346	40,118
Prepayments		6,250	-
Total current assets		680,935	555,193
Non-current assets			
Property, plant and equipment		1,189	2,548
Deferred exploration expenditure	3	470,976	455,015
Total non-current assets		472,165	457,563
Total assets		1,153,100	1,012,756
Liabilities			
Current liabilities			
Trade and other payables		81,781	89,363
Total current liabilities		81,781	89,363
Total Liabilities		81,781	89,363
Net assets		1,071,319	923,393
Equity			
Issued capital	4	32,054,695	31,758,385
Reserves		2,755,740	2,758,783
Accumulated losses		(33,526,022)	(33,375,776)
Parent entity interest		1,284,413	1,141,392
Non-controlling interest		(213,094)	(217,999)
Total equity		1,071,319	923,393

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

MOZAMBI RESOURCES LIMITED

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Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2014

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Attributable to owners of the parent	Non-controlling interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	30,874,975	2,672,000	(94,099)	(32,420,374)	1,032,502	(213,093)	819,409
Loss for the period	-	-	-	(169,722)	(169,722)	8,649	(161,073)
Other comprehensive income/(loss) for the period, net of income tax	-	-	(33,293)	-	(33,293)	-	(33,293)
Total comprehensive loss for the period	-	-	(33,293)	(169,722)	(203,015)	8,649	(194,366)
Balance at 31 December 2013	30,874,975	2,672,000	(127,392)	(32,590,096)	829,487	(204,444)	625,043
Balance at 1 July 2014	31,758,385	2,835,200	(76,417)	(33,375,776)	1,141,392	(217,999)	923,393
Loss for the period	-	-	-	(150,246)	(150,246)	-	(150,246)
Other comprehensive income/(loss) for the period, net of income tax	-	-	(3,043)	-	(3,043)	4,905	1,862
Total comprehensive loss for the period	-	-	(3,043)	(150,246)	(153,289)	4,905	(148,384)
Issued shares, net of costs	296,310	-	-	-	296,310	-	296,310
Balance at 31 December 2014	32,054,695	2,835,200	(79,460)	(33,526,022)	1,284,413	(213,094)	1,071,319

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

MOZAMBI RESOURCES LIMITED

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Condensed 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 to suppliers and employees	(167,573)	(219,272)
Net cash outflow from operating activities	(167,573)	(219,272)
Cash flows from investing activities		
Proceeds on sale of property, plant & equipment	-	942
Payments for exploration expenditure	(13,638)	(465,868)
Interest received	1,626	11,195
Net cash outflow from investing activities	(12,012)	(453,731)
Cash flows from financing activities		
Proceeds from issue of shares	318,000	-
Share issue costs	(20,988)	-
Net cash inflow from financing activities	297,012	-
Net (decrease)/increase in cash and cash equivalents	117,427	(673,003)
Cash and cash equivalents at the beginning of the period	515,075	870,301
Effects of exchange rate changes on cash and cash equivalents	14,837	3,836
Cash and cash equivalents at the end of the period	647,339	201,134

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2014

1. Summary of Significant Accounting Policies

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 "Interim Financial Reporting" (AASB 134). 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 most recent annual report.

(a) Basis of preparation

The condensed 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 value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) New or revised Standards and Interpretations that are first effective in the current reporting period

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 reporting period.

(c) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In preparing the half-year financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial report for the year ended 30 June 2014.

(d) Going concern

The Group has incurred a net loss for the half-year of \$150,246 (2013: \$161,073) and had net cash outflows from operations of \$167,573 (2013: \$219,272). It has no ongoing source of operating income and is dependent upon obtaining sufficient funding to meet its exploration expenditure budgets and working capital requirements. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Further capital raisings may be required to allow the Group to meet all of its planned expenditure. Any such fund raisings will be subject to factors beyond the control of the Group and its directors. When the Group requires further funding for its programs additional funds would be sought in a manner considered by the directors to be most beneficial to the Group at the time, taking into account working capital, project results, budgets, share market conditions, capital raising opportunities and industry conditions. If the Group is not successful in raising additional capital, minimum work obligations arising from its interests in exploration tenements may, subject to negotiation and approval, be varied and/or satisfied by farm-out, joint venture, sale, or relinquishment or surrender of the tenement interests.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2014

1. Summary of Significant Accounting Policies (continued)**(d) Going concern (continued)**

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business and at the amounts stated in the financial statements.

If the Group is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report. The report does not include any adjustments relating 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 become due and payable.

2. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2014 (2013: None).

3. Deferred Exploration Expenditure

	Half-year ended 31 Dec 2014	Year ended 30 June 2014
Areas of interest in exploration and evaluation phase at cost:	\$	\$
Opening balance	455,015	-
Acquisition of Bowen River and Carmilla	-	426,000
Expenditure during the period	15,961	29,015
Closing balance	470,976	455,015

Capitalised exploration and evaluation expenditure represents the accumulated cost of acquisition and subsequent cost of exploration and evaluation of the properties. Ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2014

4. Contributed Equity

Movements in share capital during the current and prior periods were as follows:

Share Capital

	Number	\$
<i>Ordinary Shares</i>		
As at 1 July 2013	119,941,987	30,874,975
As at 31 December 2013	119,941,987	30,874,975
Shares issued	92,600,000	926,000
Issue costs	-	(42,590)
Balance as at 30 June 2014	212,541,987	31,758,385
Shares issued at 0.6 cents per share	52,999,998	318,000
Issue costs	-	(21,690)
Balance as at 31 December 2014	265,541,985	32,054,695

Options

The Company had the following classes of options on issue as at reporting date:

Number	Exercise Price	Expiry Date
475,000	25c	02/08/2016
2,200,000	25c	30/11/2016
50,000,000	2c	31/12/2017
9,000,000	2c	31/12/2017

The options are not listed and carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

5. Segment Information
a) Description

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The function of the chief operating decision maker is performed by the Board collectively. Information reported to the Board for the purposes of resource allocation and assessment of performance is focused broadly on the Group's diversified activities across different sectors.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2014

5. Segment Information (continued)

The Group's reportable segments under AASB 8 are therefore as follows:

- Mineral Exploration – Mozambique
- Mineral Exploration – Australia

Information regarding the activities of these segments during the current and prior financial period is set out in the following tables.

b) Segment revenues and results

	Segment revenue		Segment profit/(loss)	
	Half-year ended 31/12/14	Half-year ended 31/12/13	Half-year ended 31/12/14	Half-year ended 31/12/13
	\$	\$	\$	\$
Mineral Exploration – Mozambique	-	-	-	-
Mineral Exploration – Australia	-	-	-	(5,000)
Total for continuing operations	-	-	-	(5,000)
Investment income			2,109	11,195
Central administration costs and directors' salaries			(152,355)	(167,268)
Loss before tax			(150,246)	(161,073)

c) Segment assets and liabilities

	31/12/14	30/06/14
	\$	\$
<u>Segment assets</u>		
Mineral Exploration – Mozambique	25,758	23,973
Mineral Exploration – Australia	470,976	455,015
Total segment assets	496,734	478,988
Unallocated	656,366	533,768
Consolidated total assets	1,153,100	1,012,756
	31/12/14	30/06/14
	\$	\$
<u>Segment liabilities</u>		
Mineral Exploration – Mozambique	6,123	5,283
Mineral Exploration – Australia	-	-
Total segment liabilities	6,123	5,283
Unallocated	75,658	84,080
Consolidated total liabilities	81,781	89,363

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2014

5. Segment Information (continued)
d) Other segment information

	Impairment		Additions to non-current assets	
	Half-year ended	Half-year ended	Half-year ended	Half-year ended
	31/12/14	31/12/13	31/12/14	31/12/13
	\$	\$	\$	\$
Mineral Exploration – Mozambique	-	-	-	-
Mineral Exploration – Australia	-	-	15,961	446,820
	-	-	15,961	446,820

6. Commitments and contingencies

The level of the Group's commitments and contingent liabilities have not changed materially from those disclosed in the annual report for the year ended 30 June 2014.

7. Events occurring after the reporting date

At an Extraordinary General Meeting held on 20 February 2015, shareholders approved the following resolutions:

1. The ratification of a prior share placement of 52,999,998 shares at \$0.006.
2. The placement of 26,499,999 Options attaching free to shares issued under resolution 1. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
3. The issue of 3,000,000 Related Party Options to Mr Alan Armstrong. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
4. The issue of 3,000,000 Options to Mr Adrien Wing. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).
5. Approval for the Company to issue up to 50,000,000 Options at an issue price of \$0.001 per Option to raise up to \$50,000 (Options Placement).
6. Approval for the Company to issue up to 5,000,000 Options to Subiaco Capital Pty Ltd in consideration for fees associated with the Placement as set out in Resolution 1 above. The Options are exercisable at \$0.02 and expire on or before 31 December 2017 (Issued on 26 February 2015).

An additional 2,500,000 shares at \$0.008 per share and 2,000,000 Options were issued on 26 February 2015 in lieu of consulting services provided. The Options are exercisable at \$0.02 and expire on or before 31 December 2017.

Subsequent to the half-year, the Company announced the signing of a terms sheet granting the Company the option to acquire two highly prospective license applications in the graphite rich Balama-Montepuez region of Mozambique. The licenses are currently under application with the Mozambique Mines Ministry with granting of the licenses anticipated in the near future.

There has not been any matter or circumstance, other than matters disclosed above, elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.