



ABN 50 153 234 532

28 August 2014

ASX Limited

ASX Code – BAB

AIM Code - BGL

INTERIM FINANCIAL REPORT

We attach the interim financial report for Bullabulling Gold Limited for the half year ended 30 June 2014.

For and on behalf of the Board

A handwritten signature in black ink, reading "D McArthur".

David McArthur
Company Secretary and Chief Financial Officer

BULLABULLING GOLD LIMITED ABN 50 153 234 532

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BULLABULLING GOLD LIMITED

ABN 50 153 234 532

INTERIM FINANCIAL REPORT

30 JUNE 2014

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COMPANY DIRECTORY

DIRECTORS AND COMPANY SECRETARY:

Dianmin Chen

Non-executive Chairman

Noel White

Non-executive Director

Peter Mansell

Non-executive Director

David McArthur

Company Secretary and Chief Financial Officer

REGISTERED AND PRINCIPAL OFFICE:

Level 2, 55 Carrington Street
NEDLANDS
WA 6009

PO Box 985
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WA 6909

Telephone: +61 8 9386 4086

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AUDITORS:

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

DOMICILE AND COUNTRY OF INCORPORATION:

Australia

SECURITIES EXCHANGE:

Bullabulling Gold Limited shares are listed on the Australian Securities Exchange (ASX) under the ticker symbol BAB; and on the London AIM market under the ticker symbol BGL.

WEBSITE AND EMAIL:

www.bullabullinggold.com
info@bullabullinggold.com

DIRECTORS' REPORT

The directors present their report together with the financial report for the six months ended 30 June 2014 and the audit review thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period were:

Name	Period of Directorship
Executive	
Brett Lambert	Director from 1 May 2012 to 15 July 2014
Non-executive	
Peter Mansell	Director since 10 April 2012
Dianmin Chen	Director since 4 August 2014
Noel White	Director since 4 August 2014
Ronnie Beevor	Director from 2 July 2012 to 4 August 2014
Brett Lambert	Director from 16 July 2014 to 4 August 2014

PRINCIPAL ACTIVITIES

The principal activity of the Group during the interim period was gold exploration and project development.

RESULTS

The net loss of the Group for the interim period after income tax expense was \$3,359,573 (2013 loss: \$21,311). Subsequent to half year end, the Group received \$481,045 (2013: \$4,538,603) in Research and Development tax incentive refunds which are included in the Group results.

DIVIDENDS

No dividend was paid during the interim period and the Directors do not recommend payment of a dividend.

REVIEW OF OPERATIONS

Bullabulling Gold Limited ("Bullabulling" or "Company") is a mining exploration and development company, headquartered in Perth, Western Australia and is dual-listed on the Australian Securities Exchange (ASX) and London AIM markets.

Bullabulling is the 100% owner of a large, previously producing gold mine called the Bullabulling Gold Project. The project is located in the goldfields of Western Australia and is within easy commuting distance of the main gold mining centre of Kalgoorlie, which is less than 80kms away on the main Perth-Kalgoorlie highway.

REVIEW OF OPERATIONS (continued)

Definitive Feasibility Study

In the six months ended 30 June 2014 the Company continued to progress the Definitive Feasibility Study (DFS) over the Bullabulling Gold project.

The DFS engineering continued to progress in line with expectations.

Metallurgical test work identified the potential to reduce reagent consumption and increase gold recovery through nano-filtration of process water. The performance of nano-filtration was subsequently confirmed. Potential energy cost savings and further gold recovery improvements were tested through the application of flotation.

1303 metres of diamond drilling was completed, with multi element analysis undertaken. The core was used for metallurgical and geotechnical test work, with results confirming favorable rock properties. Geotechnical evaluation of the proposed tailings storage facility site was commenced.

Flora and fauna field studies confirm the site to be free of any significant populations that would be impacted by the proposed project development.

Exploration

A preliminary mining study was completed for the Gibraltar project. An open pit design at Gibraltar captures 1.94 million tonnes of resource grading 1.15 g/t gold containing 71,700 of in situ gold (ASX release 7 March 2014). Gibraltar does not form part of the current mine plan.

Corporate

On 17 April 2014, the Company received an unsolicited takeover offer from Norton Gold Fields Limited (Norton) at 7 cents per share. The Directors advised that the offer was not adequate and did not reflect the value of Bullabulling or the Bullabulling gold project.

On 14 May 2014, the Company issued a Target's Statement with the recommendation shareholders do not accept the offer as it was neither fair nor reasonable.

Subsequent Events

On 1 July 2014, Norton increased its offer to 8 cents cash per share. The directors recommended shareholders accept the offer after Norton secured 40% of the Company's shares, delivering effective control.

On 14 July 2014, Norton reached a position of control of Bullabulling with an interest of 50.95%.

On 4 August 2014, Norton advanced \$2,000,000 to the Company by way of a draw down facility to enable the Company to continue the DFS study and meet day to day expenses.

At the date of this report Norton had acquired 86.24% of the shares and gained a controlling interest in the Company.

Board Change

On 15 July 2014, the Company announced proposed changes to the composition of the board following the acquisition of a controlling interest in the Company by Norton. It was agreed that Norton Managing Director Dr Dianmin Chen and Dr Noel White (a non-executive Director of Norton) would join the board as non-executive directors subject to the completion of regulatory requirements. These requirements were satisfied on 4 August 2014.

As the role and responsibilities of Managing Director Brett Lambert were significantly diminished on 15 July 2014, the board resolved to abolish the position of Managing Director and terminated Mr Lambert's executive contract with termination benefits paid to Mr Lambert pursuant to his agreement.

Mr Lambert resigned as executive director on 15 July 2014.

On 4 August 2014 Dr Dianmin Chen and Dr Noel White joined the Board, and Brett Lambert and Ronnie Beevor resigned as directors. Dr Chen was appointed chairman, with Peter Mansell remaining as a non-executive director.

REVIEW OF OPERATIONS (continued)

Competent Person Statement

The information in this report that relates to the Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Mr Trevor Pilcher, who is a full time employee of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr Pilcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). All information on mineral resources and ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Pilcher. Mr Pilcher consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

DIRECTORS' AND SENIOR EXECUTIVES REMUNERATION

(a) Non-executive Directors

As approved by shareholders at the Annual General Meeting on 27 May 2014, consideration for accrued deferred fees payable to Peter Mansell and Ronnie Beevor, for the 9 month period 1 July 2013 to 31 March 2014, was satisfied in full on 12 June 2014 by the issue of 1,333,094 shares at 7.1 cents each, for a value at the date of issue, of \$94,649.

(b) Senior executives

On 14 February 2014, the Company issued 1,786,808 fully paid ordinary shares at 4.7 cents each in part satisfaction of bonuses paid to senior executives. The issue price was based on the 5 day VWAP at the date the bonus was declared.

(c) Equity instruments

All options refer to options over ordinary shares of Bullabulling Gold Limited, which are exercisable on a one-for-one basis.

Options and rights over equity instruments granted as compensation - audited

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the previous reporting period is as follows:

Tranche	Vesting conditions
1	The 10 day VWAP share price equals or exceeds the exercise price during the 12 month period commencing 1 May 2013
2	The 10 day VWAP share price equals or exceeds the exercise price during the 12 month period commencing 1 May 2014
3	The 10 day VWAP share price equals or exceeds the exercise price during the 12 month period commencing 1 May 2015
4	Exercisable at 10.7 cents per share on or before 29 May 2018. The options vest after 12 months and expire after 24 months
5	Exercisable at a price equal to 130% of the 5 day VWAP immediately prior to the contract commencement date of 26 November 2012. The options vest after 14 months and expire after 48 months
6	Exercisable at a price equal to 160% of the 5 day VWAP immediately prior to the contract commencement date of 26 November 2012. The options vest after 24 months and expire after 36 months
7	Exercisable at a price equal to 190% of the 5 day VWAP immediately prior to the contract commencement date of 26 November 2012. The options vest after 36 months and expire after 48 months

DIRECTORS' REMUNERATION (continued)

(d) Equity instruments (continued)

Options and rights over equity instruments granted as compensation – audited (continued)

Tranche		Number of options granted	Grant Date	Fair value per option at grant date	% vested in year	% forfeited in year	Financial years in which grant vests	Exercise price per option	Expiry date	Number of options vested during 2014
				cents	(A)	(B)	(C)	cents		
Executive directors										
Brett Lambert	1	1,000,000	13-Jun-12	8.81	-	100%	01-Jan-13	28.4	1-May-14	-
	2	1,000,000	13-Jun-12	10.66	-	-	01-Jan-14	31.6	1-May-15	-
	3	1,000,000	13-Jun-12	11.89	-	-	01-Jan-15	36.8	1-May-16	-
	4	2,000,000	29-May-14	5.61	-	-	01-Jan-15	10.7	29-May-18	-
Other key management personnel										
Mark Braghieri	5	500,000	29-Nov-12	4.31	-	-	01-Jan-13	10.2	26-Nov-14	-
	6	500,000	29-Nov-12	4.82	100%	-	01-Jan-14	12.6	26-Nov-15	500,000
	7	500,000	29-Nov-12	5.28	-	-	01-Jan-15	14.9	26-Nov-16	-

(A) The amount vested in the year represents the number of options that become unconditional due to the recipient satisfying specified vesting condition;

(B) The percentage forfeited in the year represents the reduction from the maximum number of options available to vest due to performance criteria not being achieved;

(C) The vesting period is from 31 May to 31 May thus spanning two financial years.

1,000,000 options issued to key management personnel lapsed during the reporting period

No options were granted or exercised during the reporting period to key management personnel.

Options granted carry no dividend or voting rights.

11. DIRECTORS' INTERESTS

The relevant interest of each director in the shares and options issued by the Group, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares	Options over ordinary shares
Dianmin Chen	-	-
Noel White	-	-
Peter Mansell	-	-

SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

On 17 April 2014, Norton Gold Fields Limited (Norton) announced an off-market takeover bid for all the fully paid ordinary shares in the Company. At the date of this report Norton had acquired 86.24% of the shares and gained a controlling interest in the Company.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Bullabulling Gold Limited support and have adhered to the principles of good corporate governance. The Group's corporate governance statement is contained within the 31 December 2013 Annual Report and on the Company's web site.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters disclosed in note 13 of the notes to the interim financial statements, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the next page and forms part of the Directors' report for the six months ended 30 June 2014.

Dated at Perth, Western Australia this 28th day of August 2014.

Signed in accordance with a resolution of the Directors.



Peter Mansell
Director

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF BULLABULLING GOLD LIMITED

As lead auditor for the review of Bullabulling Gold Limited for the half-year ended 30 June 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 Bullabulling Gold Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 28 August 2014

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	30 June 2014 \$	31 December 2013 \$
Assets			
Cash and cash equivalents		2,055,350	4,256,808
Other receivables	6	560,198	38,637
Prepayments		100,466	66,570
Total current assets		2,716,014	4,362,015
Investments		427,778	427,778
Property, plant and equipment		693,460	757,388
Other receivables	6	185,000	185,000
Total non-current assets		1,306,238	1,370,166
Total assets		4,022,252	5,732,181
Liabilities			
Trade and other payables		1,459,872	155,853
Employee benefits		289,197	412,616
Total current liabilities		1,749,069	568,469
Provision for site rehabilitation		1,353,193	1,353,193
Total non-current liabilities		1,353,193	1,353,193
Total liabilities		3,102,262	1,921,662
Net assets		919,990	3,810,519
Equity			
Share capital	7	69,001,206	68,555,550
Reserves	7	349,382	414,061
Accumulated losses		(68,430,598)	(65,159,092)
Total equity attributable to equity holders of the Company		919,990	3,810,519

The notes on pages 14 to 23 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Note	30 June 2014 \$	30 June 2013 \$
Revenue from continuing operations		73,522	66,324
Other income	10	489,182	4,540,160
Expenses			
Administrative expenses	11	(1,225,399)	(1,129,007)
Other expenses	11	(1,215,991)	(1,255,105)
Feasibility study and exploration expenditure		(1,480,887)	(2,242,322)
Results from operating activities		(3,359,573)	(19,950)
Loss before income tax		(3,359,573)	(19,950)
Income tax expense		-	(1,361)
Loss after income tax for the period		(3,359,573)	(21,311)
Other comprehensive expense			
Items that will not be reclassified to profit or loss		-	-
<i>Total items that will not be reclassified to profit or loss</i>		-	-
Items that may be reclassified subsequently to profit or loss			
Changes in fair value on equity instruments measured at fair value through other comprehensive income		-	-
Foreign currency translation difference of foreign operations		-	-
<i>Total items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive loss for the period, net of income tax		-	-
Total comprehensive loss for the period		(3,359,573)	(21,311)
Loss attributable to owners of the Company		(3,359,573)	(21,311)
Total comprehensive loss attributable to owners of the Company		(3,359,573)	(21,311)
Loss per share			
Basic and diluted (cents per share)		(0.98)	(0.01)

The notes on pages 14 to 23 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Attributable to equity holders of the Company				
	Share capital	Equity-based benefits reserve	Options	Accumulated losses	Total
	\$	\$	Shares	\$	\$
Balance at 1 January 2014	68,555,550	356,018	58,043	(65,159,092)	3,810,519
Total comprehensive loss for the half year					
Loss for the half year	-	-	-	(3,359,573)	(3,359,573)
Other comprehensive income for the half year					
Total other comprehensive income	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	(3,359,573)	(3,359,573)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of 1,786,808 shares @ 4.7 cents in lieu of 50% of senior executives' bonuses	83,979	-	(17,325)	-	66,654
Issue of 2,261,938 shares @ 6.5 cents pursuant to drilling services	147,027	-	-	-	147,027
Placement of 2,859,756 shares @ 4.1 cents to the Managing Director	117,250	-	-	-	117,250
Issue of 1,333,094 shares @ 7.1 cents in lieu of 50% of directors' fees	94,649	-	(40,718)	-	53,931

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Attributable to equity holders of the Company				Total
	Share capital	Equity-based benefits reserve Options	Shares	Accumulated losses	
	\$	\$	\$	\$	\$
Transactions with owners, recorded directly in equity (continued)					
Contributions by and distributions to owners (continued)					
Transfer of expired options	-	(88,067)	-	88,067	-
Share-based payment transactions	-	58,627	22,804	-	81,431
Capital raising costs – (includes \$6,943 GST receivable)	2,751	-	-	-	2,751
Total contributions by and distributions to owners	445,656	(29,440)	(35,239)	88,067	469,044
Total changes in ownership interests in subsidiaries	-	-	-	-	-
Total transactions with owners	445,656	(29,440)	(35,239)	88,067	469,044
Balance at 30 June 2014	69,001,206	326,578	22,804	(68,430,598)	919,990

The notes on pages 14 to 23 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Share capital	Attributable to equity holders of the Company			Total
		Equity-based benefits reserve Options	Shares	Accumulated losses	
	\$	\$	\$	\$	\$
Balance at 1 January 2013	66,704,237	1,074,760	-	(63,438,127)	4,340,870
Total comprehensive loss for the half year					
Loss for the period	-	-	-	(21,311)	(21,311)
Other comprehensive income for the half year					
Total other comprehensive income	-	-	-	-	-
Total comprehensive expense for the half year	-	-	-	(21,311)	(21,311)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of 39,214,906 ordinary shares	2,000,183	-	-	-	2,000,183
Capital raising costs	(159,369)	-	-	-	(159,369)
Transfer of expired options	-	(528,744)	-	528,744	-
Share-based payment transactions	-	102,791	-	-	102,791
Total contributions by and distributions to owners	1,840,814	(425,953)	-	528,744	1,943,605
Total changes in ownership interests in subsidiaries	-	-	-	-	-
Total transactions with owners	1,840,814	(425,953)	-	528,744	1,943,605
Balance at 30 June 2013	68,545,051	648,807	-	(62,930,694)	6,263,164

The notes on pages 14 to 23 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,206,127)	(2,751,600)
Payments for exploration, evaluation and development	(1,149,797)	(2,312,257)
Interest received	42,051	60,837
Income tax paid	-	(1,361)
Net cash outflow from operating activities	(2,313,873)	(5,004,381)
Cash flows from investing activities		
Payments for property, plant and equipment	(500)	(154,838)
Net cash outflow from investing activities	(500)	(154,838)
Cash flows from financing activities		
Proceeds from issue of shares	117,250	2,000,183
Capital raising costs	(4,192)	(159,372)
Net cash inflow from financing activities	113,058	1,840,811
Net decrease in cash and cash equivalents	(2,201,315)	(3,318,408)
Cash and cash equivalents at the beginning of the half-year	4,256,808	4,078,830
Effects of exchange rate fluctuations on cash held	(143)	1,668
Cash and cash equivalents at the end of the half-year	2,055,350	762,090

The condensed notes on pages 14 to 23 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

1. REPORTING ENTITY

Bullabulling Gold Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group Entities"). The Group is primarily involved in the mineral exploration and development industry in Australia.

The consolidated financial report of the Group as at and for the year ended 31 December 2013 is available upon request from the Company's registered office at Level 2, 55 Carrington Street, Nedlands, Western Australia, 6009 and is available for review on the Company's web site.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. It does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual consolidated financial report of the Group as at and for the year ended 31 December 2013 and any public announcements made by Bullabulling Gold Limited during the interim reporting period.

Bullabulling Gold Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated interim financial report was approved by the Board of Directors on 28 August 2014.

(b) Judgements and estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim 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 financial statements as at and for the year ended 31 December 2013.

(c) Going Concern

The consolidated interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the settlement of liabilities in the normal course of business.

Additional funds will need to be sourced for the Company to continue to carry on its business. The ability of the Group to continue funding its development activities is dependent on the Group securing further working capital by additional equity or financing facilities. The timing of raising additional capital will depend on investment markets, current and future planned exploration and development activities.

With effect from 15 July 2014, the Company became a subsidiary of Norton Gold Fields Limited ("Norton"). Norton have given an undertaking to provide financial support for the Company, through a loan facility, should the Company not be able to source funds from the market or alternative financing arrangements. The facility is an unsecured loan up to the value of \$2,000,000 with an interest rate of 8% per annum with repayment on the date when the Company raises sufficient moneys to repay the loan in full without prejudicing any creditors or future expenditure commitments or such later date as may be agreed between Norton and the Company.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities which might be necessary if the Group was not to continue as a going concern.

2. BASIS OF PREPARATION

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurable date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurable date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2013. The following changes in accounting policy are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2014.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements – The change amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs from the consolidated notes to the financial statements and record in the Directors' Remuneration Report within the Directors' Report. This change will only impact the annual financial report in December 2014.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. The change amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle. These changes do not impact the financial statements.

AASB 9 Financial Instruments – AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013 which incorporated three primary changes, which included that the mandatory effective date will be 1 January 2018. There will be no material impact on the Group on the adoption of this standard.

4. FINANCIAL INSTRUMENTS

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value of the carrying amount is reasonable approximation of fair value.

	Carrying Amount				Fair Values				
	Non-current assets		Current assets		Total	Level 1	Level 2	Level 3	Total
	Other receivables	Other investments	Other receivables	Cash and cash equivalents					
30 June 2014									
Financial assets measured fair value									
Investments	-	427,778	-	-	427,778	-	-	427,778	427,778
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	-	2,055,350	2,055,350	-	-	-	-
Other receivables	185,000	-	560,198	-	745,198	-	-	-	-
	185,000	427,778	560,198	2,055,350	3,228,326	-	-	427,778	427,778
31 December 2013									
Financial assets measured fair value									
Investments	-	427,778	-	-	427,778	-	-	427,778	427,778
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	-	4,256,808	4,256,808	-	-	-	-
Other receivables	185,000	-	38,637	-	223,637	-	-	-	-
	185,000	427,778	38,637	4,256,808	4,908,223	-	-	427,778	427,778

4. FINANCIAL INSTRUMENTS (continued)

(a) Carrying amounts and fair values (continued)

	Carrying Amount			Fair Values			
	Non-current liabilities	Current liabilities	Total	Level 1	Level 2	Level 3	Total
	Trade and other payables	Trade and other payables					
30 June 2014							
Financial liabilities not measured at fair value							
Trade and other payables	-	1,459,872	1,459,872	-	-	-	-
31 December 2013							
Financial liabilities not measured at fair value							
Trade and other payables	-	155,853	155,853	-	-	-	-

4. FINANCIAL INSTRUMENTS (continued)

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values at 30 June 2014 and 31 December 2013.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities – available-for-sale assets	Market-based approach	Share price from most recent capital raising	Sensitivity following a change in the share price

(ii) Level 3 fair values

Reconciliation of Level fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Equity securities – available-for-sale assets
Balance at 1 January 2013	427,778
Balance at 30 June 2013	427,778
Balance at 1 January 2014	427,778
Balance at 30 June 2014	427,778

Sensitivity analysis

For the fair values of available for sale assets, reasonably possible changes at 30 June 2014 and 31 December 2013 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	OCI, net of tax	
	Increase	Decrease
30 June 2014		
Share priced changed by 10%	42,778	(42,778)
31 December 2013		
Share priced changed by 10%	42,778	(42,778)

5. OPERATING SEGMENTS

At the reporting date the Group had one reportable segment, being gold exploration, evaluation and development.

Reconciliation of reportable segment loss, assets and liabilities and other material items

	30 June 2014 \$	30 June 2013 \$
Loss before income tax		
Total loss for reportable segment	(1,480,887)	(2,242,322)
Central administration and directors' remuneration	(1,336,335)	(2,382,555)
Finance income	73,522	66,324
Research and development tax incentive refund	481,045	4,538,603
Costs relating to Norton takeover bid	(1,096,918)	-
Consolidated loss before income tax	(3,359,573)	(19,950)

	30 June 2014 \$	31 December 2013 \$
Assets		
Total assets for reportable segment	653,559	710,141
Cash and cash equivalents	2,055,350	4,256,808
Term deposits	185,000	185,000
Available for sale financial assets	427,778	427,778
Research and development tax incentive refund	481,045	-
Other central admin assets	219,520	152,454
	4,022,252	5,732,181
Liabilities		
Total liabilities for reportable segment	(1,568,609)	(1,399,819)
Employee entitlements	(289,197)	(412,616)
Norton takeover bid	(1,087,831)	-
Other liabilities	(156,625)	(109,227)
	(3,102,262)	(1,921,662)

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2013.

6. OTHER RECEIVABLES

	30 June 2014 \$	31 December 2013 \$
Research and development tax incentive refund	481,045	-
Bank interest income	40,192	8,720
Office rental income	38,961	29,917
Deposits and bonds	185,000	185,000
	745,198	223,637
Current	560,198	38,637
Non-current	185,000	185,000
	745,198	223,637

7. CAPITAL AND RESERVES

(a) Share capital

	Ordinary shares			
	30 June 2014		30 June 2013	
	Number	\$	Number	\$
On issue at 1 January	342,248,780	68,555,550	302,533,874	66,704,240
Entitlement issue of shares at 5 cents each to Australian shareholders	-	-	16,870,703	843,535
Entitlement issue of shares at 5.2 cents each to UK shareholders	-	-	22,344,203	1,156,648
Issue of shares at 4.7 cents in lieu of 50% of bonus	1,786,808	83,979	-	-
Issue of shares at 6.5 cents each pursuant to drilling services	2,261,938	147,027	-	-
Placement of shares at 4.1 cents each to Managing Director	2,859,756	117,250	-	-
Issue of shares at 7.1 cents each in lieu of 50% of directors' fees	1,333,094	94,649	-	-
Capital raising costs	-	2,751	-	(159,372)
On issue at 30 June	350,490,376	69,001,206	341,748,780	68,545,051

7. CAPITAL AND RESERVES (continued)

(b) Reserves

Equity-based benefits reserve

The equity-based benefits reserve represents the cost of options that have been granted and vested as share-based payments but not exercised. This reserve will be transferred to accumulated losses should these options be exercised or reversed through profit and loss should certain vesting conditions not be met.

On 1 May 2014, 1,000,000 options with an exercise price of 28.4 cents each expired unvested.

This reserve also represents shares that are to be issued to directors in lieu of director fees.

(c) Options

At the date of this report, there are 14,592,621 options on issue in Bullabulling Gold Limited. The exercise price ranges from 10.20 cents to 59.22 cents, and the exercise dates range from October 2013 to May 2018.

8. COMMITMENTS

Commitments for approved mineral exploration expenditure are scheduled as follows:

	30 June 2014 \$	30 June 2013 \$
<i>Mineral exploration</i>		
Not later than one year	575,300	614,060

9. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments awards (where applicable). Key management personnel received total compensation of \$905,917 for the six months ended 30 June 2014 (six months ended 30 June 2013: \$886,973).

\$90,139 of key management personnel remuneration that was incurred in 2014, was satisfied by the issue of fully paid ordinary shares in the Company.

(b) Non-executive Directors

In view of the need to preserve cash in light of the current financial climate and market condition, shareholders approved the implementation of a scheme, effective 1 July 2013, whereby non-executive directors would receive 50% of their directors' fees in shares. The pricing of the shares and accordingly, the number of shares to be issued, was based on a 5 day VWAP at the end of each calendar quarter.

During the six months ended 30 June 2014, the Company issued 1,333,094 fully paid ordinary shares to non-executive directors in satisfaction of deferred director's fees.

10. OTHER INCOME

	30 June 2014 \$	30 June 2013 \$
Research and development tax incentive refund	481,045	4,538,603
HMRC VAT refund	8,137	1,557
	489,182	4,540,160

11. EXPENSES

	30 June 2014 \$	30 June 2013 \$
Loss before income tax from continuing operations includes the following specific expenses:		
Personnel expenses:		
Wages and salaries (staff)	142,305	224,028
Directors and executives remuneration	905,917	886,973
Contributions to defined contribution plans (staff)	31,539	31,983
Increase / (decrease) in liability for annual leave (staff)	(875)	21,658
Payroll tax	53,056	53,167
Other associated personnel expenses	4,494	8,327
	1,136,436	1,226,136
Expensed in exploration and evaluation	397,143	499,744
Expensed in administrative expenses	739,293	726,392
	1,136,436	1,226,136
Administrative expenses:		
Personnel expenses	739,293	726,392
Advertising and publicity (i)	178,978	110,721
Communication and information services (i)	31,371	40,985
Travelling and Motor vehicle expenses (i)	68,555	78,127
Office administration	99,865	106,024
Bank charges	2,543	20,780
Share registry and statutory fees (i)	104,794	45,978
	1,225,399	1,129,007

11. EXPENSES (continued)

	Note	30 June 2014 \$	30 June 2013 \$
Other expenses:			
Professional fees	(i)	1,140,237	285,562
Depreciation and amortisation		64,428	85,463
Site restoration expenses		-	883,193
Net foreign exchange loss	(ii)	11,326	887
		1,215,991	1,255,105

Notes to support expenses table

- (i) Includes costs in relation to the Norton takeover bid;
- (ii) Losses on foreign exchange result from movements in the value of the Australian Dollar against the UK Pound

12. CONTINGENCIES

There were no contingent liabilities at the reporting date (2013: Nil).

13. SUBSEQUENT EVENTS

Subsequent to the reporting date, the Group received \$503,403 from the ATO comprising \$481,045 in Research and Development tax refunds and \$22,358 interest.

On 2 July 2014, the Company issued 321,180 fully paid ordinary shares at 7.1 cents each in part satisfaction of director fees. The issue price was based on the 5 day VWAP at the end of the June 2014 quarter.

On 14 July 2014, Norton reached a position of control of Bullabulling with an interest of 50.95%. At the date of this report, Norton held an 86.24% controlling interest in the Company.

On 15 July 2014, the position of Managing Director and CEO were abolished, and the service agreement with Brett Lambert was terminated, with termination benefits paid to Mr Lambert pursuant to his agreement.

On 4 August 2014, Dr Dianmin Chen and Dr Noel White joined the Board, and Brett Lambert and Ronnie Beevor resigned as directors. Dr Chen was appointed Chairman, with Peter Mansell remaining as a non-executive director.

On 4 August 2014, Norton advanced \$ 2,000,000 to the Company by way of a draw down facility to enable the Company to continue the DFS study and meet day to day expenses.

Other than these matters, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Bullabulling Gold Limited (the "Company"):

- (1) the financial statements and notes set out on pages 14 to 24 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'P. Mansell', with a large circular flourish on the left side.

PETER MANSELL
Director

Dated at Perth this 28th day of August 2014.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bullabulling Gold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bullabulling Gold Limited, which comprises the consolidated statement of financial position as at 30 June 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 30 June 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 Bullabulling Gold 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 Bullabulling Gold 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 Bullabulling Gold 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 30 June 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 2(c) in the financial report, which indicates that the consolidated entity is dependent upon securing further working capital by additional equity or financing facilities to pay its debts as and when they fall due for payment. Norton Gold Fields Limited has become the controlling shareholder of the consolidated entity and has subsequent to the period end provided a loan facility to the consolidated entity and an undertaking of support should the consolidated entity not be able to source funds from the market or alternative financing arrangements. Should the support from Norton Gold Fields Limited not continue or should the consolidated entity not be able to source funds from the market or alternative financing arrangements, there exists 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 (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint, light blue BDO logo.

Glyn O'Brien

Director

Perth, 28 August 2014