FORTE

CONSOLIDATED LIMITED

2014

ANNUAL REPORT

ABN 37 148 168 825

Directors

John Terpu (Executive Chairman)
Bruno Firriolo (Non-executive Director)
Brian Cleaver (Non-executive Director)

Company Secretary

Bruno Firriolo

Registered Office
and Principal Place of Business

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Balcatta WA 6021
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Solicitors

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Facsimile: (08) 9321 4333

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
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Telephone: (08) 9227 7500
Facsimile: (08) 9227 7533

Bankers

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259 Queen Street
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Share Register

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Securities Exchange Listing

Forte Consolidated Limited is listed on the Australian Securities Exchange (ASX: FRC)

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Dear Shareholder,

As a shareholder myself, I must say I am proud that, in a challenging year on various fronts, the Company continues to hold worthwhile exploration assets in Australia, is debt free, has streamlined its management and has reduced its administration overheads.

Exploration over the past 12 months has focused on target refinement and preparing for drill testing early next year. A strong commitment to exploration and discovery is a cornerstone of the Company's growth strategy. The Company has secured the services of a highly skilled and motivated multi-disciplinary team of geologists and geoscientists through SRK Australia. They have a proven track record of success which will be applied to explore and identify new targets at our Johnnycake project.

The Company firmly believes that there are many more ore bodies to be found in covered and frontier belts in North Queensland. Mt Carlton, a world class discovery in a previously overlooked belt, is a good example. The Company's focus for discovery remains gold, silver and copper deposits.

Your Board of Directors, along with the rest of the Forte team, continue to work tirelessly and this has resulted in Forte moving closer towards the goal of a major discovery. We are excited about the potential in the year ahead.

Thank you for your on-going support.

John Terpu

John Terpu
Chairman
16 September 2014

Johnnycake (EPM 18986)

On 9 October 2012 the Company entered into an agreement to secure new tenement ground, EPM 18986 (Johnnycake), at the northern end of the Bowen Basin in Queensland from Emerchants Limited (Figure 1). All conditions relating to the agreement were concluded in August 2013.

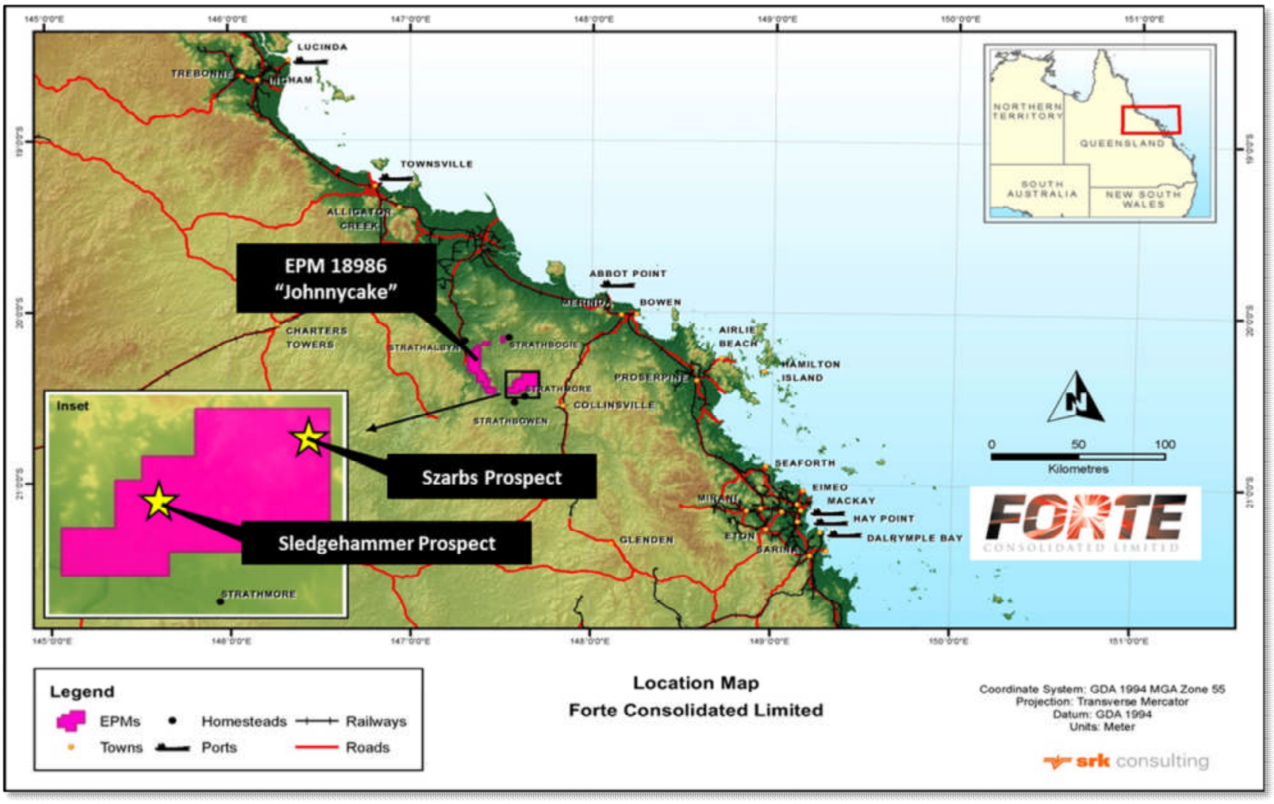

Figure 1: Eastern portion of EPM18986 showing the Sledgehammer and Szarbs Prospects

Geophysical Review

At the commencement of the reporting period, the company engaged a leading geophysical consultancy, Southern Geoscience, to review public domain magnetic, radiometric and gravity data. This review gave improved definition to ENE and NNW trending structures on the tenement which strengthened the Company's view that the tenement has the potential to host Mt Carlton style mineralisation. Historic reports state that the Mt Carlton mineralisation can be spatially linked to an intercept of N-NNW and ENE-E trending regional scale structures. Intersection points between these two sets of structures are important for focussing mineralising fluids and for the potential for these intersection points to become brecciated and highly fractured ground as is the case at Mt Carlton (approximately 20 kms to the north).

Desktop Prospectivity Review

Given the favourable structure and geology present, the Company subsequently engaged SRK Consulting to undertake a regional desktop prospectivity review to assist the Company in developing a systematic exploration approach to the prospective styles of mineralisation at Johnnycake. Key people at SRK Consulting have been involved in developing a 3-D model of the Bowen Basin under a large scale private-public initiative and have applied this knowledge to bring a regional geological understanding to targeting structures and lithologies prospective for mineralisation at Johnnycake.

The SRK review found that the Johnnycake EPM is prospective for both high and low sulphidation mineralisation of the Mt Carlton type, based on:

- Indications that the same rhyodacitic sequences that host Mt Carlton are present at Johnnycake
- Favourable convergent structures are present
- Good distribution of deep exploration holes in and around Johnnycake for stratigraphic analysis

Reconnaissance Mapping [1]

A brief reconnaissance mapping program was conducted by SRK between 9 and 14 November 2013. In summary, SRK highlighted the following key findings:

- SRK's interpretation of the exposed adamellite south of the Szarbs Prospect is that it constitutes Carboniferous basement and is probably part of the Glen Alpine Suite. Localised outcrops of Quartzo-feldspathic sandstones and Quartzo-feldspathic Ignimbrite are similarly inferred to represent pre-Lizzie Creek Volcanic sequences. These isolated outcrops of inferred basement supports the overlying sequences as representing the basal Mount Toussaint Volcanics, which importantly is the more prospective part of the Lizzie Creek Volcanic sequence;

- The unconformably overlying volcanics/volcaniclastics within the project area appear to be consistent with the stratigraphic succession previously described for the Mt Toussaint Trachyte; ie basal subaerial welded intermediate ignimbrite, overlain by predominantly coarse-grained volcaniclastic rocks (probably high-energy sheetwash and fluvial deposits) and in turn by coherent trachyte lava. Further, isolated occurrences of andesite are interpreted as within the Lower Basalt of the Mt Toussaint Volcanics. From a prospectivity perspective this is a significant observation as, regionally, the Mt Toussaint Trachyte is an important host rock (or lithological trap) to high-sulphidation and a number of low-sulphidation deposits/prospects.

- As part of the site visit, SRK ground-truthed one of the weakly magnetic anomalies, corresponding with Szarbs (informally renamed from Hill 345). At this locality, there is strong evidence (based on alteration assemblages) of a shallow high-sulphidation epithermal system hosted within the exposed Mt Toussaint Trachyte. This discovery provided support of the broader exploration model for the region and shaped recommendations for exploration, subsequently carried out in 2014 and described below.

High Resolution Airborne Magnetic and Radiometric Survey

A detailed airborne magnetic, radiometric and digital terrain survey was conducted by Thomson Aviation over the project area from 23 March 2014 to 2 April 2014. A total of 3,597 line kilometres of survey data was collected across the survey area which approximates the project area extent. A fixed-wing single engine PAC750 was used as the survey platform.

Survey lines were spaced 50m apart in an east-west direction, with 500m tie line spacing in a north-south direction. Magnetic data was recorded with a Geometrics G822A optically pumped magnetometer that was kept at a mean terrain clearance of 40m during the survey. Radiometric data were also collected using a Radiations Solutions Inc RS 500 Spectrometer placed inside the aircraft.

Magnetics [2]

SRK defined a number of areas within the project area that present evidence of magnetite destruction (possibly associated with hydrothermal alteration) given the context of the likely geology interpreted from the magnetic and radiometric data. These 'destructive' or suppressed magnetic features are presented in Figure 2.

Radiometrics [2]

The aim of enhancing radiometric data is to help map geological domains based on the variations in radioactive properties of different soils and lithologies. Due to the very shallow depth of penetration of radiometric surveying, only surface features are detected and interpretation was conducted in conjunction with the interpretation of the magnetics data.

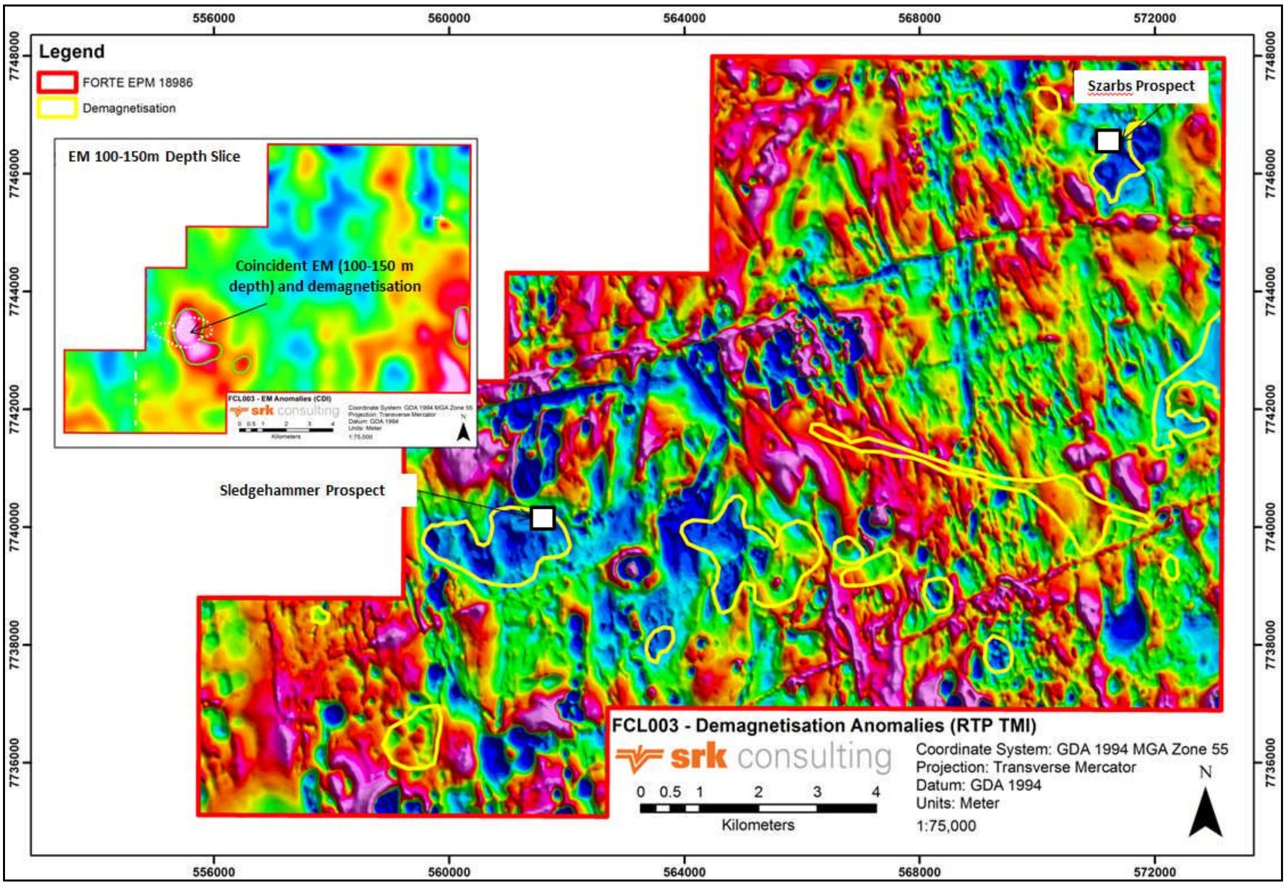

Figure 2: Demagnetisation anomalies (RTP TMI) at Johnnycake showing prospect locations

Reprocessing of Historic Electromagnetic Data [2]

Between November 2007 and April 2008, Geosolutions Pty Ltd undertook a RepTEM helicopter Time domain electromagnetic (TEM) survey over the Mt Carlton regional project area in North Queensland. A subset of the grid data relevant to EPM 18986 was made available to Forte by Evolution Mining Limited, the current custodians of the geophysical dataset flown over the broader EPM 14783. The database presents only 43 survey lines over the project area. These lines were flown with a line spacing of 400m, resulting in a total of 368 lines-kilometres being flown. SRK defined a number of areas within the project area that present evidence of anomalous conductivity within the 100-150 conductivity depth slice. The interpretation was restricted to ‘deeper’ depth slices to avoid ambiguity around the potential impact of surficial, or shallow, features related to hydrology and geography.

Tenement Scale Mapping

A regional mapping program of the project area, conducted by Dr Bryce Healy and Dr Carol Simpson from SRK Consulting, was commenced in the north-eastern part of the project area in November 2013 with mapping of the remainder of the tenement completed during a two week period in May 2014.

The overall aims of the total three weeks of mapping were to:

(i) ground truth previous geological mapping work and the geophysical interpretation;
(ii) resolve the stratigraphy of the Lizzie Creek Volcanics and any other units identified; and
(iii) identify which parts in the tenement warranted further, more detailed exploration.

The mapping was supported by a number (total of 24) of thin-section samples prepared at Petrographic International Pty Ltd in Brisbane from the first mapping phase in 2013 and a further 33 thin sections prepared at Ingham Petrographics from the second phase.

The two phases of tenement-wide fieldwork has resulted in identification of a number of distinct volcanic and volcaniclastic facies and substantial revision to the geology of the area. The revised interpretation is shown in Figure 3 and the underlying supporting observations upon which the interpretation is based have been provided to the Company in detail. Tabulated field observations, including sites sampled, lithological and structural data, magnetic susceptibility data and photographs taken, have also been provided to the Company as part of a GIS data package.

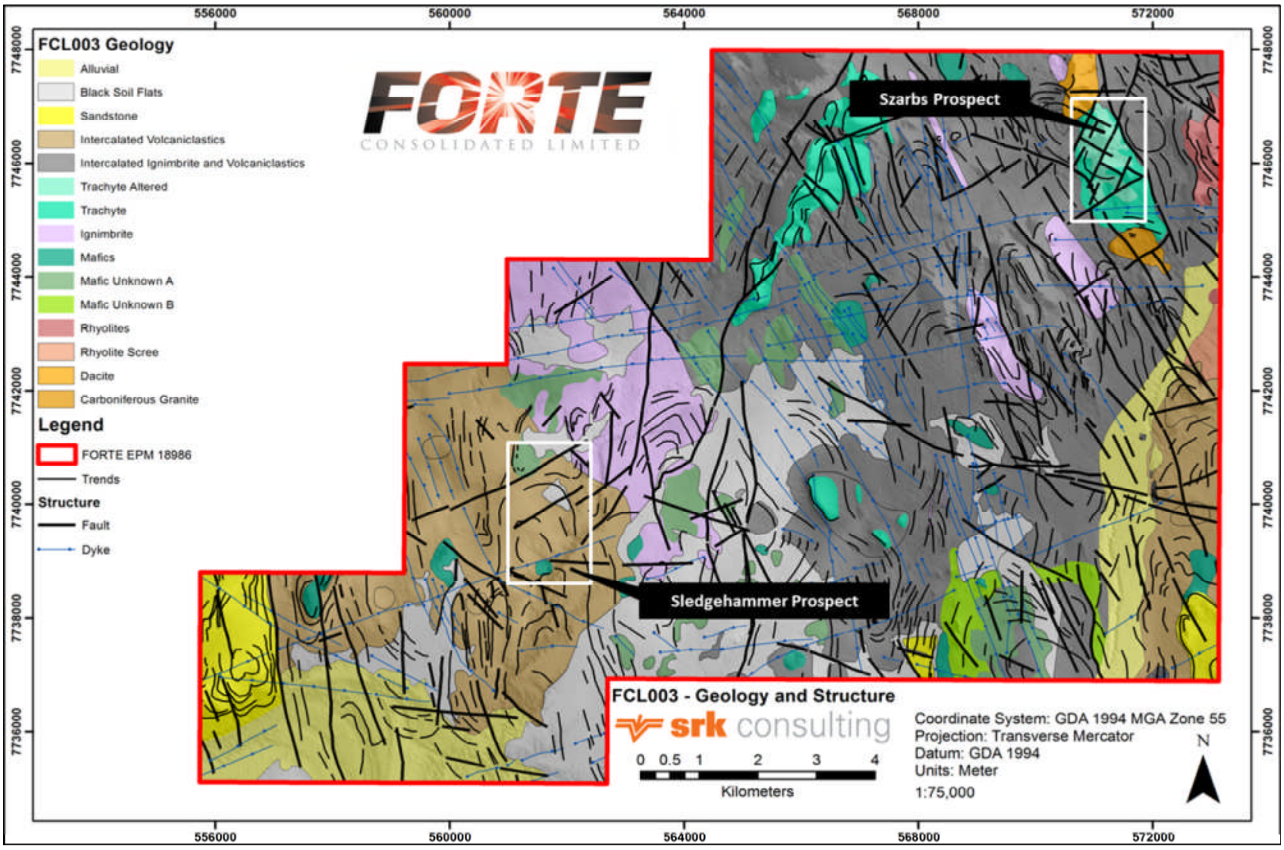

Figure 3: Geological and structural map generated from airborne radiometrics and tenement scale mapping conducted by SRK in the June quarter

Review of Results by Prospect [2]

A review of the geophysical and remotely sensed data, in combination with ground-truthing of geochemical anomalism and tenement scale mapping has identified two key prospects, namely Sledgehammer and Szarbs. The following section reviews each prospect in further detail and documents the follow-up mapping and sampling program across the prospects which involved a detailed mapping and PIMA and geochemical sampling program over a 4 day period between 21 and 25 June 2014.

Sledgehammer Prospect

The Sledgehammer Prospect (Figure 4) is located within a volcaniclastic sequence, inferred to overlie locally present trachyte and andesite at depth.

The prospectivity is underpinned by a series of co-incident geophysical anomalies which bear the hallmarks of a hydrothermal system overprint. These are (as illustrated in Figure 5):

- The prospect is linked to a deep seated structure in the form of a major basement break interpreted from the gravity and supported by the magnetic datasets. This feature is considered regionally significant and has a high potential to provide a favourable pathway for hydrothermal fluids. Another prominent feature of the gravity dataset is a broad dense gravity feature (anomaly) which sits below the prospect and potentially links to the major basement break. This feature could either reflect an intrusive source or dense mineralised body;

- Coincident with this gravity anomaly is a broad zone of demagnetisation. The favoured interpretation of this zone is that the destruction of primary magnetite signature resulting in the broad anomaly is due to the hydrothermal overprint associated with phyllic and propylitic alteration; and

- Broadly co-incident with these two anomalies is evidence of anomalous conductivity within the 100-150 conductivity depth slice which SRK recommended should be investigated for the possibility of conductivity associated with hydrothermal alteration. SRK reports that elevated conductivity is consistent with clay alteration zones and provides more weight of evidence for the presence of a sizeable hydrothermal system preserved at Sledgehammer.

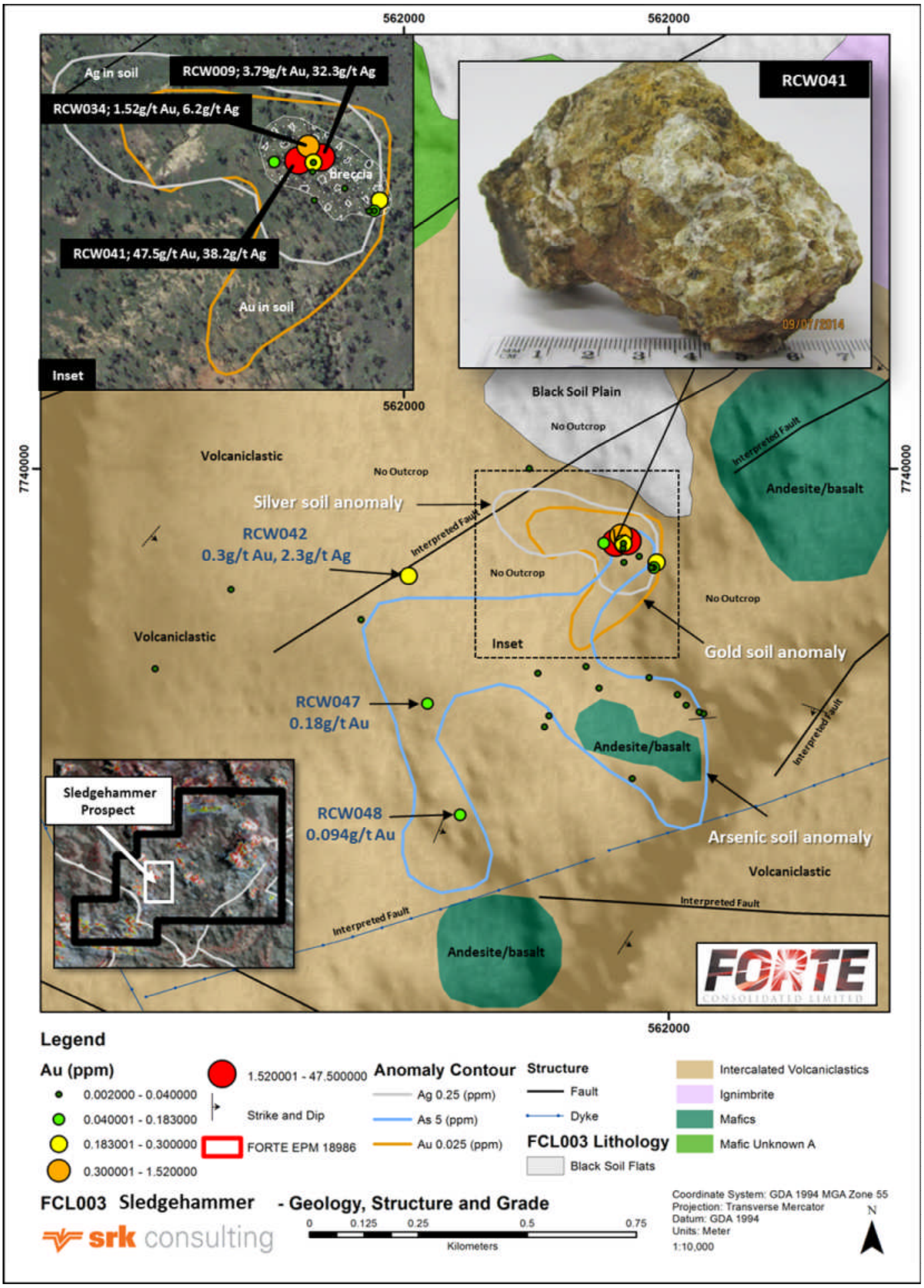

Figure 4: Sledgehammer Prospect showing Geology, Structure and Grade

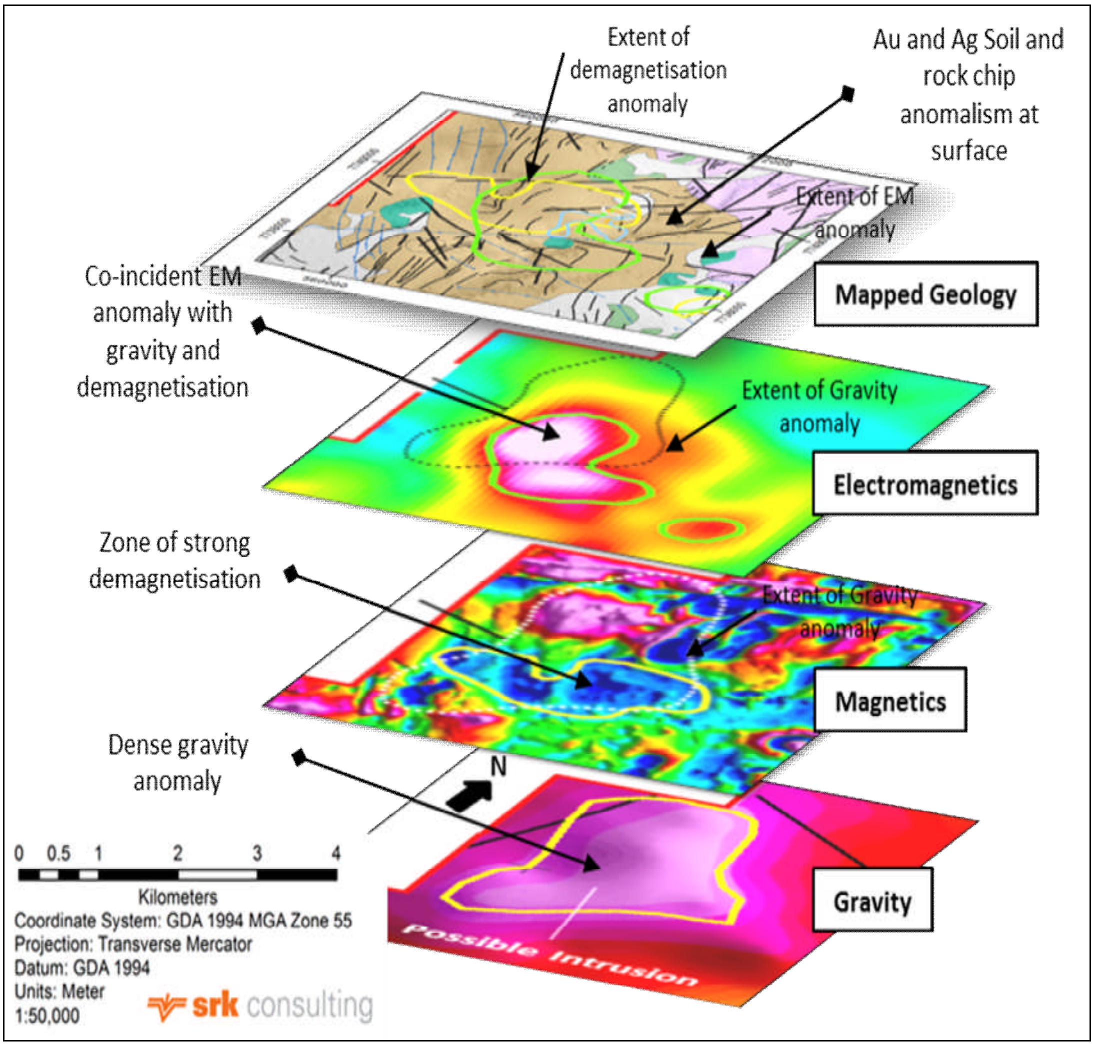

Figure 5: Coincident anomalies indicate that the Sledgehammer Prospect bears all the hallmark features of a significant and highly prospective epithermal system

At surface, the zone interpreted as hydrothermally overprinted based on geophysical data, exhibits intense and laterally extensive alteration in outcrop (supported by thin section and PIMA analysis) characterised by propylitic and phyllic alteration assemblages. This alteration zone is co-incident with elevated geochemistry. Geochemically the prospect has been sampled by both soil (historic) and rock chip (conducted by the Company) and is characterised by:

- A broader halo of anomalous As hosting strong Au and Ag anomalism, weakly elevated Cu (± elevated Pb, Te and B) consistent with an epithermal system; and

- A corresponding zone of anomalous gold and silver in rock chip samples, including one exposure in the north of the prospect hosting brecciated and intensively altered volcaniclastics with significant mineralisation at surface (up to 47g/t Au).

The anomalous rock chip results (presented in Table 1 and shown graphically in Figure 4) within the breccia zone, in conjunction with the adjacent broader Au anomalism in soil and more distal Au anomalism in rock chip results throughout the broader prospect, highlight the potential of the area to host economic Au ± Ag mineralisation.

Sledgehammer bears all the hallmark features of a significant and highly prospective epithermal system and is exhibiting attributes to date that warrant significant follow-up exploration work. A pole-dipole induced polarisation survey has commenced at the Sledgehammer Prospect, under the direction of a highly experienced consultant geophysicist, which is aimed at assisting in the definition of future drill targets.

Table 1: Rock chip sampling details and summary of significant assay results

Sample ID	Rock Type	Easting	Northing	Au g/t	Ag g/t
RCW041	Volcaniclastic breccia	561879	7739828	**47.5**	**38.2**
RCW047	Volcaniclastic	561446	7739454	**0.18**	**0.18**
RCW042	Volcaniclastic breccia	561403	7739751	**0.3**	**2.3**
RCW034	Volcaniclastic breccia	561890	7739845	**1.52**	**6.2**
RCW009	Volcaniclastic breccia	561905	7739832	**3.79**	**32.3**
RCW036	Volcaniclastic breccia	561897	7739782	**0.23**	**0.71**

* Note that these results are depicted graphically in Figure 4. Significant results will lie within the illustrated anomalies. The balance of results will lie within or outside the illustrated anomalies as determined by consultants, SRK.

Szarbs Prospect

The Szarbs prospect is located within a prospective trachyte host unit interpreted to be part of the Mt Toussaint Trachyte which hosts the Mt Carlton series of deposits approximately 20kms to the north.

Geophysically, the prospect is located over a zone of demagnetisation that is interpreted to reflect the effects of propylitic and phyllic alteration associated with a hydrothermal system. At surface, SRK notes the presence of an alteration overprint in outcrop. The alteration is characteristic of an argillic and phyllic alteration classification extending to silicic alteration around the margins of the system.

Geochemically the prospect has been sampled by both soil (historic) and rock chip (conducted by the Company) and is characterised by:

- A broader halo of anomalous As hosting patchy Ag (strong anomaly) and Au (weak anomaly) soil anomalism central to the alteration zone;
- A series of elemental associations, i.e., elevated As, Ag, Au, Pb, Te and Bi consistent with an epithermal system; and
- A corresponding zone of anomalous silver in rock chip samples up to 9.3 g/t Ag and up to 71g/t Ag (historical sample, see Figure 6) supporting that the system has the potential to host significant Ag (±Au) mineralisation.

The combined demagnetisation associated with classic high-sulphidation alteration assemblages and a geochemistry which supports the deposit style (i.e., the relevant indicator element and metallogenic assemblages) provides strong evidence of a shallow high-sulphidation epithermal system at Szarbs. Importantly, the core of the system (i.e. the potentially mineralising zone) does not appear to be exposed, and is therefore expectantly preserved at shallow depth.

Table 2: Rock chip sampling details and summary of significant assay results

SampleID	Rock Type	Easting	Northing	Au g/t	Ag g/t
B6	Argillic altered trachyte	570996	7746992	**0.003**	**6.07**
B21	Argillic altered trachyte	571232	7746608	**0.022**	**2.35**
B44	Argillic altered trachyte	571159	7746532	**0.007**	**1.03**
B46	Argillic altered trachyte	571244	7746523	**0.034**	**1.49**
B16	Argillic altered trachyte	571390	7746698	**0.002**	**1.3**
B50	Argillic altered trachyte	571400	7746503	**0.007**	**0.95**
B75	Argillic altered trachyte	571387	7746463	**0.008**	**6.2**
B47	Argillic altered trachyte	561446	7739454	**0.054**	**9.03**

* Note that these results are depicted graphically in Figure 6. Significant results will lie within the illustrated anomalies. The balance of results will lie within or outside the illustrated anomalies as determined by consultants, SRK.

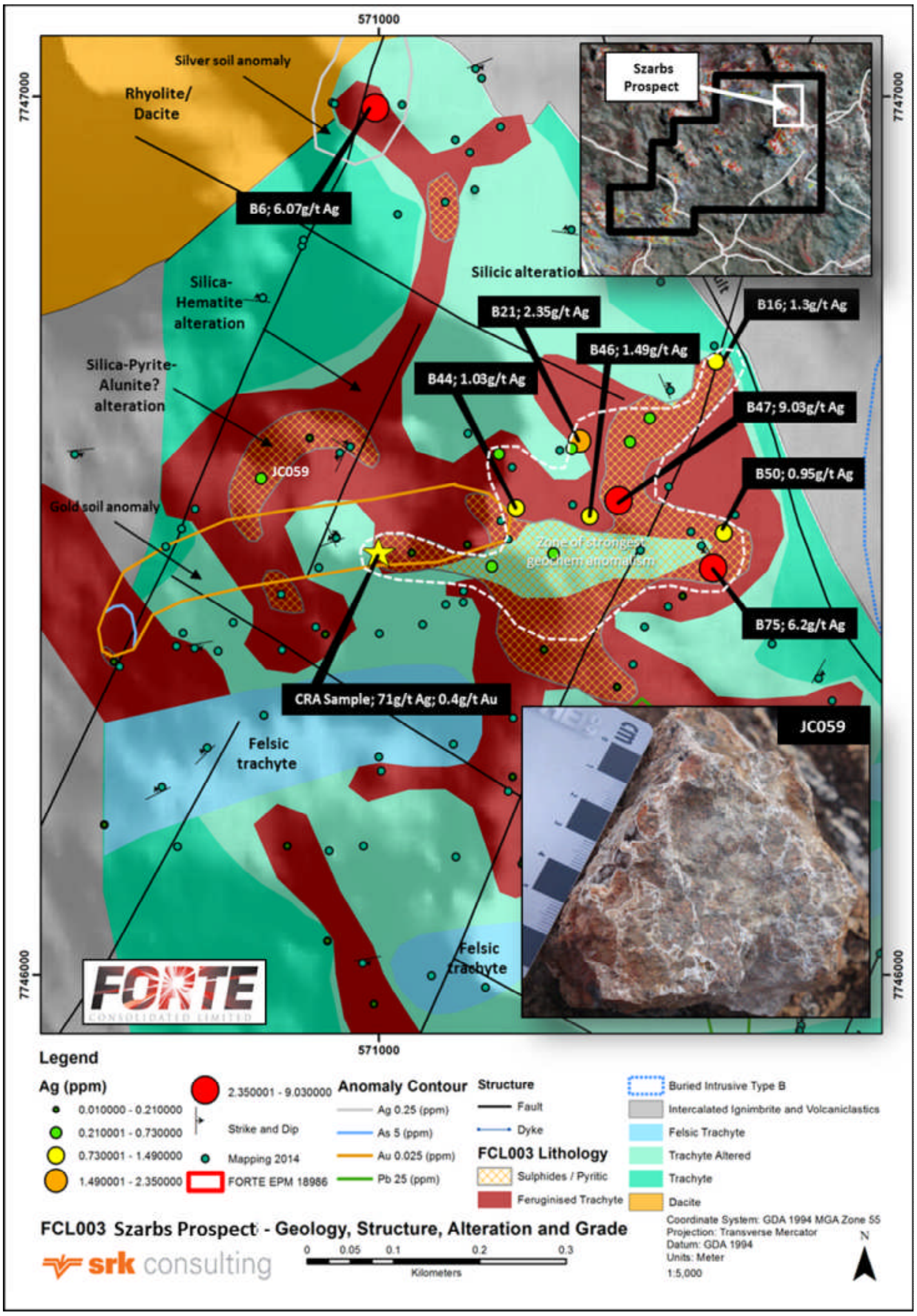

Figure 6: Szarbs Geology, Structure, Alteration and Grade

Clarke Prospect (EPM 14825)

During the reporting period no field work was undertaken on EPM 14825 and it was subsequently relinquished. Associated tenements within The Kangaroo Hills project area were either relinquished or otherwise disposed of during the reporting period.

[1] *This information is extracted from the report entitled "Quarterly Activities Report" created on 31 January 2014 and is available to view on www.forteconsolidated.com.au. The Competent Person named in that report is Dr Louis Bucci. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

[2] *This information is extracted from the report entitled "Quarterly Activities Report" created on 31 July 2014 and is available to view on www.forteconsolidated.com.au. The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

Your directors submit the annual financial report of the consolidated entity consisting of Forte Consolidated Limited and the entities it controlled during the financial year ended 30 June 2014.

Directors and Company Secretary

The names of directors and the secretary who held office during or since the end of the year and until the date of this report are as follows.

John Terpu MAICD – Executive Chairman
(Appointed Non-executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Mr Terpu has over seventeen years of commercial and management expertise gained in a broad range of business and investment activities. He has been involved in the mining and exploration industry through the acquisition and investment in a number of strategic exploration and mining projects. Mr Terpu has a wide range of contacts in the exploration and mining investment community. Mr Terpu was a Director of Adept Solutions Limited from March 2009 to April 2012.

Bruno Firriolo FTPA (Tax), B.Bus (Acctg) – Non-executive Director and Company Secretary
(Appointed 12 January 2011)

Mr Firriolo is a Certified Practising Accountant who has been a partner with the accounting firm Cleaver & Associates since April 1991 dealing with all aspects of accounting and taxation. Mr Firriolo's experience in financial and corporate matters is supplemented by a period of co-ownership in a national wholesale business. Mr Firriolo had no other public company directorships in the previous three years.

Brian Cleaver FTPA (Tax), B.Bus (Acctg) – Non-executive Director
(Appointed 29 November 2013)

Mr Cleaver has been involved in taxation and public accounting for over 30 years and has a wide ranging experience in a variety of industries. Since 2002 he has been directly involved in a number of listed exploration companies, both in the provision of services and as an investor. Mr Cleaver had no other public company directorships in the previous three years.

Nick Revell BSc (Geol) – Non-executive Director
(Appointed Executive Director 12 January 2011, appointed Non-executive Director 1 July 2013, resigned 29 November 2013)

Nick Revell has over twenty years experience in mine geology and exploration geology, working for major mining companies for sixteen years as a mine geologist, subsequent to which he established a consulting company specialising in mine development, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals and iron ore. Mr Revell was a Director of Sunseeker Minerals Limited from November 2010 to August 2012, Kidman Resources Limited from November 2010 to November 2011, Dynasty Metals Australia Limited from March 2011 to September 2011 and Mayan Iron Corporation Limited from January 2010 to September 2011.

Directors' Meetings

The number of meetings of the Company's Board of Directors attended by each Director during the year ended 30 June 2014 were as follows:

	Number of Board Meetings Held Whilst in Office	Number of Board Meetings Attended
J. Terpu	12	12
B. Firriolo	12	12
B.Cleaver	7	7
N. Revell	5	5

Interests in the shares and options of the company and related bodies corporate

The following relevant interests in shares and options of the company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares
John Terpu	33,466,026
Bruno Firriolo	895,000
Brian Cleaver	833,540

Options

Details of ordinary shares issued by the company during or since the end of the financial year as a result of the exercise of an option are: Nil

At the date of this report unissued ordinary shares of the Company under option are: Nil

Dividends

No dividends were declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the entities within the consolidated entity during the year were exploration for and evaluation of economic deposits for gold and other minerals.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

Review of operations

During the year, the Company carried out exploration on its tenements with the objective of identifying economic deposits of gold and other metals. The full review of operations immediately precedes this report.

Operating results for the year

The net result of operations for the year was a loss after income tax of $1,883,016 (2013: $713,146).

Significant events after balance date

There has not been any matter or circumstance that has arisen after balance date 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 periods.

Likely developments and expected results

Disclosure of 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. Therefore, this information has not been presented in this report.

Environmental legislation

The consolidated entity is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The company has agreed to indemnify all the directors of the company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Remuneration report

This report outlines the remuneration arrangements in place for the key management personnel of Forte Consolidated Limited (the "company") for the financial year ended 30 June 2014. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the executives in the Parent and the Group receiving the highest remuneration.

Key Management Personnel

Directors

J. Terpu (Executive Chairman appointed 1 July 2013, Non-executive Chairman appointed 12 January 2011)

B. Firriolo (Non-executive Director and Company Secretary appointed 12 January 2011)

B. Cleaver (Non-executive Director appointed 29 November 2013)

N. Revell (Non-executive Director appointed 1 July 2013, Executive Director appointed 12 January 2011, resigned 29 November 2013)

Remuneration philosophy

The performance of the company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration committee

Forte Consolidated Limited has not established a Remuneration Committee. The Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at a General Meeting prior to the Company's listing on ASX, held on 30 March 2011 when shareholders approved an aggregate remuneration of $300,000 per year.

Remuneration report (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board refers to advice from external shareholders, as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the company. An additional fee is also paid for each Board committee on which a non-executive director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by non-executive directors who serve on one or more sub committees.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Senior managers and executive directors are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Variable Remuneration

The Group currently has no performance-based remuneration component built into director and executive remuneration packages.

Employment Contracts

(a) John Terpu

From 1 June 2014, remuneration and other terms of employment as an Executive for Mr Terpu were formalised in an Executive Services Agreement. Also, from that date, his remuneration as a Director was cancelled.

- Term of agreement – 2 years
- Base annual salary of $100,000 including SGC superannuation
- All other terms of employment similar to those provided under the Fair Work Act.

(b) Nick Revell

Until 30 June 2013 remuneration and other terms of employment for Mr Revell were formalised in an Employment Services Agreement as detailed below:

- Term of agreement – initially 2 years commencing 14 April 2011, but extended by mutual agreement between Mr Revell and the Company
- Base annual salary of $76,452 per annum, plus SGC superannuation
- Payment of a termination benefit, on early termination by the Company other than in certain specified circumstances, equal to 4 weeks annual salary.

The Employment Services Agreement was terminated on 1 July 2013, after which date Mr Revell continued with the Company on a PAYG basis as a Non-executive Director and also in a consultancy role in relation to exploration and technical matters until his resignation on 29 November 2013.

Remuneration report (continued)

Remuneration of key management personnel

Table 1: Directors' remuneration for the years ended 30 June 2014 and 30 June 2013

(Disclosure is not required for any other persons)

		Short-term employee benefits				Post-employment benefits	Other long-term benefits	Equity		
		Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Other $	Superannuation $	Long-service Leave $	Share Options $	Total $	Performance Related %
J Terpu	2014	32,799	-	4,656	585	3,034	-	-	41,074	-
	2013	35,168	-	2,392	-	3,165	-	-	40,725	-
B Firriolo	2014	115	-	859	-	29,885	-	-	30,859	-
	2013	22,936	-	373	-	15,398	-	-	38,707	-
B Cleaver	2014	1,831	-	135	-	5,169	-	-	7,135	-
	2013	-	-	-	-	-	-	-	-	-
N Revell	2014	11,441	-	-	-	1,058	-	-	12,499	-
	2013	78,216	-	461	-	7,039	-	-	85,716	-
Total	2014	46,186	-	5,650	585	39,146	-	-	91,567	-
	2013	136,320	-	3,226	-	25,602	-	-	165,148	-

Option plans in existence during the financial year: Nil

Share-based compensation to directors and executives during the year: Nil

Options granted to directors and exercised or lapsed during the year: Nil

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Remuneration report (continued)

Movements in key management personnel share and option holdings
(Directors unless stated otherwise)

2014	Opening Balance 1/7/2013	At time of commencing/ (ceasing)	Bought	(Expired)	Closing Balance 30/06/2014
Fully paid ordinary shares – directly and indirectly held					
J. Terpu	29,466,026	-	2,000,000		31,466,026
B. Firriolo	895,000	-	-		895,000
B.Cleaver (commence 29/11/13)	-	833,540	-		833,540
N. Revell (cease 29/11/13)	-	-	-		-
Listed Options – directly and indirectly held					
J. Terpu	29,597,840	-	-	(29,597,840)	-
B.Firriolo	2,146,665	-	-	(2,146,665)	-
B.Cleaver	-	2,493,690	-	(2,493,690)	-
N. Revell	1,000,000	(1,000,000)	-		-

2013	Opening Balance 1/7/2012	Bought	(Sold)	Closing Balance 30/06/2013
Fully paid ordinary shares – directly and indirectly held				
J. Terpu	28,308,126	1,157,900	-	29,466,026
N. Revell	-	-	-	-
B. Firriolo	895,000	-	-	895,000
Listed Options – directly and indirectly held				
J. Terpu	31,288,750	309,090	(2,000,000)	29,597,840
N. Revell	1,000,000	-	-	1,000,000
B. Firriolo	2,146,665	-	-	2,146,665

Transactions with key management personnel

The following comprises amounts paid or payable and received or receivable applicable to entities in which key management personnel (KMP) have an interest.

	Consolidated entity	
Directors	**2014 $**	**2013 $**
Paid/payable to:		
J Terpu and B Firriolo (as Trustees of the CAS Trust & BCF Trust trading as Chellserv) for administration services	225,335	347,537
B Cleaver (as Director of Arodam Pty Ltd atf Arodam Trust) for corporate and IT services	14,000	-

Remuneration report (continued)

Amounts owed to related parties at 30 June 2014 were Chellserv $22,841 (2013: $21,187), Arodam Pty Ltd $nil (2013: $nil).

Proceedings on behalf of the company

No persons have applied for leave pursuant to s.327 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of Forte Consolidated Limited.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on the next page and forms part of this directors' report for the year ended 30 June 2014.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 3 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the directors.

John Terpu

John Terpu
Chairman
Perth WA

16 September 2014

HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Forte Consolidated Limited for the year ended 30 June 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
16 September 2014

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

The Company is committed to implementing the ASX Corporate Governance Council's (Council) second edition *Corporate Governance Principles and Recommendations*. Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider it practicable or necessary to implement these principles due to the size and stage of development of its operations and the Board's reasoning for any departure is explained.

Set out below are the fundamental corporate governance practices of the Company.

The Board

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

Board charter

The Board has adopted a board charter. Under the board charter, the Board is responsible for the overall operation and stewardship of the Company and its subsidiaries and, in particular, is responsible for:

(a) setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;

(b) ensuring there are adequate resources available to meet the Company's objectives;

(c) appointing the managing director and company secretary and chief financial officer of the Company;

(d) evaluating the performance and determining the remuneration of senior executives, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;

(e) evaluating the performance of the Board and its Directors;

(f) determining remuneration levels of Directors;

(g) approving and monitoring financial reporting and capital management;

(h) approving and monitoring the progress of business objectives;

(i) ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licences;

(j) ensuring that adequate risk management procedures exist and are being used;

(k) ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;

(l) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;

(m) ensuring procedures are in place for ensuring the Company's compliance with the law; and

(n) financial and audit responsibilities, including the appointment of an external auditor and reviewing the financial statements, accounting policies and management processes.

Conflicts of interest

In accordance with the Corporations Act and the Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned will not receive the relevant papers and will not be present at the Board meeting whilst the matter is being considered.

Independent professional advice

In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairman, whose approval will not be unreasonably withheld.

Corporate governance policies

The Board has adopted the corporate governance policies described below. Copies of the policies are available on the Company's web site at www.forteconsolidated.com.au.

As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

Code of conduct

The Board believes that the success of the Company will be enhanced by a strong ethical culture within the organisation.

The Company has established a code of conduct ("Code") which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour with which the Directors, officers, managers, employees and consultants of the Company are expected to comply.

The Code sets out the Company's policies on various matters, including the following:

(a) legal compliance;

(b) conflicts;

(c) fair dealing;

(d) Company assets and property;

(e) computer, email and internet use;

(f) knowledge and information;

(g) health, safety and environment;

(h) disclosure of securities trading;

(i) employment practices; and

(j) gifts and entertainment.

In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

The Code also outlines the procedure for reporting any breaches of the Code and the possible disciplinary action the Company may take in respect of any breaches.

Securities trading policy

The Company has in place a securities trading policy which sets out the requirements for all directors, executives, employees, contractors, consultants and advisers of the Company dealing in the Company's securities.

Key management personnel (including directors, executives and senior managers) of the Company may not deal in the Company's securities without prior approval of the Chairman (or in the Chairman's absence the Board or the Managing Director (if and when appointed)) and first notifying the Chairman and the Company Secretary of the intention to trade. The Chairman may not deal in the Company's securities without prior approval of the Board or the next most senior Director, and notifying the Company Secretary of the intention to trade. The Company Secretary must be subsequently notified by key management personnel of any trade that has occurred.

Key management personnel may not, except in exceptional circumstances requiring prior written approval of the Chairman (or in the Chairman's absence the Board or the Managing Director (if and when appointed)), deal in Company's securities during "closed periods" that operate during:

(a) the period of time between the end of a reporting quarter and the release of the Company's quarterly activities and cash flow statements; and

(b) other periods as determined and announced by the Board including:

  (i) the period 72 hours before and 24 hours after the release of price sensitive information; and

  (ii) periods during which it is considered that certain information is generally known within the Company but is not known to the market.

Continuous disclosure policy

The Company is a "disclosing entity" pursuant to section 111AR of the Corporations Act and, as such, will need to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is committed to observing its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All relevant information provided to ASX will be posted on the Company's website.

The Company has adopted a continuous disclosure policy, pursuant to which the Company has set policies and procedures for ensuring that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

Under the policy the Company has allocated roles and responsibilities to the Board, a responsible officer (a person appointed by the Board for the purpose of determining what information is to be disclosed to the market) and the company secretary. The authorised spokespersons of the Company are the Chairman, the Managing Director (if and when appointed) and other persons authorised by the Board from time to time.

Shareholder communication policy

The Company has adopted a shareholder communication policy which outlines the processes through which the Company will endeavour to ensure effective communication with Shareholders and provide timely and accurate information to all Shareholders about the Company and its corporate strategies.

The Company supports shareholder participation in general meetings. Mechanisms for enabling Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.

Risk management policy

The Company has established a risk management policy, the purpose of which is to:

(a) provide a framework for identifying, assessing, monitoring and managing risk;

(b) communicate the roles and accountabilities of participants in the risk management system; and

(c) highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.

The Board is responsible for the oversight of internal controls within the Company. The Board is required to establish procedures which provide assurance that material business risks are identified and formulate a procedure for analysing and evaluating risk.

Diversity policy

The Company has established a diversity policy, the purpose of which is to promote the Company's belief that the promotion of diversity on the Board, in senior management and within the organisation generally:

(a) broadens the pool for recruitment of high quality directors and employees;

(b) supports employee retention;

(c) through the inclusion of different perspectives, encourages greater innovation; and

(d) is a socially and economically responsible governance practice.

The Board is responsible for adopting and implementing the Company's diversity policy.

In accordance with this policy, the Board provides the following information pertaining to the proportion of women employees across the organisation at the date of this Report:

	ACTUAL	
	NUMBER	**PERCENTAGE**
Number of women employees in the whole organisation	0	0%
Number of women in senior executive positions	0	0%
Number of women on the board	0	0%

Corporate governance – exceptions to ASX recommendations

The Company sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practice departs from the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition) (**Recommendations**) to the extent that they are currently applicable to the Company.

Recommendations 1.2 and 2.5 (process for evaluation)

The Company does not have in place a formal process for evaluation of the Board, its committees, individual Directors and key executives.

The small size of the Board and the nature of the Company's activities make the establishment of a formal performance evaluation strategy unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of the management, Directors and the Board as a whole.

Recommendation 2.1 (independent directors)

Between the period 1 July 2013 and 29 November 2013 the Board did not comprise a majority of "independent directors". However, given the size and scope of the Company's operations during that period, the Board considered that it had the relevant experience in the exploration and mining industry and was appropriately structured to discharge its duties in a manner that was in the best interests of the Company and its Shareholders from both a long-term strategic and operational perspective.

The Chairman of the Company, Mr John Terpu, is not an independent director in accordance with the criteria for independence as outlined in Recommendation 2.1. However, given the size and scope of the Company's operations, the Board considers that Mr Terpu has relevant experience in the exploration and mining industry and his appointment as Chairman is in the best interests of the Company and its Shareholders.

Mr Nick Revell ceased as an executive director on 1 July 2013 and was then appointed a non-executive director until his resignation on 29 November 2013. However, he was still considered not to be an independent director during that period in accordance with the criteria for independence as outlined in Recommendation 2.1. This is because of his previous relationship as an executive director as well as a continuing relationship with the Company as a consultant on material matters. However, Mr Revell had relevant experience in the exploration and mining industry and his appointment as a non-executive director from 1 July 2013 to 29 November 2013 was in the best interests of the Company and its Shareholders.

Since Mr Revell's resignation on 29 November 2013, the Board comprises a majority of "independent directors".

Recommendation 2.4 (nomination committee)

There is no nomination committee. The full Board considers the matters and issues that would fall to the nomination committee. The Board considers that, given the Board's size and the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate nomination committee.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate nomination committee.

Recommendation 3.3 (gender diversity)

The Company has not complied in setting measurable objectives for achieving gender diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company as disclosed above. Due to the size of the Company and its small number of employees, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.

Recommendations 4.1, 4.2, 4.3 and 4.4 (audit committee)

There is no audit committee. The role of the audit committee is undertaken by the full Board. The Board considers that, given the Board's size and the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate audit committee at present.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate audit committee.

Recommendation 8.1 (remuneration committee)

The Company has not established a separate remuneration committee and does not have a formal remuneration policy in place. The role of the remuneration committee is undertaken by the full Board. The Board considers that, given the Board's size and the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate remuneration committee.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee.

	Notes	Consolidated	
		2014	2013
		$	$
Revenue	2	73,297	138,760
Expenses			
Exploration and evaluation expenditure written off		1,488,350	105,396
Administration expenses		465,230	745,665
Depreciation expense		13,931	16,781
Depreciation capitalised to exploration		(11,198)	(15,936)
Total expenses		1,956,313	851,906
Loss before income tax expense	2	(1,883,016)	(713,146)
Income tax expense	4	-	-
Net loss for the year		(1,883,016)	(713,146)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(1,883,016)	(713,146)
Loss per share (cents per share)	5	(1.97)	(0.74)

Diluted loss per share is not shown as it is not materially different to basic loss per share.

The accompanying notes form part of these financial statements.

	Notes	Consolidated	
		2014	2013
		$	$
CURRENT ASSETS			
Cash and cash equivalents	6	1,367,034	2,247,415
Other receivables	7	29,127	27,855
Other assets	8	18,387	32,441
Total Current Assets		1,414,548	2,307,711
NON-CURRENT ASSETS			
Other receivables	9	12,500	10,000
Plant and equipment	10	32,734	39,582
Exploration and evaluation expenditure	11	626,184	1,517,396
Total Non-Current Assets		671,418	1,566,978
TOTAL ASSETS		2,085,966	3,874,689
CURRENT LIABILITIES			
Trade and other payables	12	166,882	76,365
Employee benefits	13	3,776	-
Total Current Liabilities		170,658	76,365
TOTAL LIABILITIES		170,658	76,365
NET ASSETS		1,915,308	3,798,324
EQUITY			
Issued capital	14	5,367,367	5,367,367
Reserves	15	-	812,033
Accumulated losses		(3,452,059)	(2,381,076)
TOTAL EQUITY		1,915,308	3,798,324

The accompanying notes form part of these financial statements.

	Notes	Consolidated	
		2014	2013
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(483,938)	(740,786)
Interest received		88,720	158,180
Net cash used in operating activities	16	(395,218)	(582,606)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(7,083)	(1,412)
Payments for exploration and evaluation expenditure		(435,580)	(1,182,186)
Payments for purchase of tenement		(40,000)	(10,000)
Refund/(payment) of tenement bonds		(2,500)	-
Net cash used in investing activities		(485,163)	(1,193,598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares and options		-	-
Share issue costs		-	-
Net cash provided from financing activities		-	-
Net (decrease) / increase in cash held		(880,381)	(1,776,204)
Cash at beginning of year		2,247,415	4,023,619
Cash at end of year	6	1,367,034	2,247,415

The accompanying notes form part of these financial statements.

	Consolidated			
	Issued Capital	**Accumulated (Losses)/ Profits**	**Option Reserve**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2012	5,367,367	(1,667,930)	812,033	4,511,470
Total comprehensive income				
- Loss for the period	-	(713,146)	-	(713,146)
- Other comprehensive income	-	-	-	-
Transactions recorded directly in equity	-	-	-	-
Balance at 30 June 2013	5,367,367	(2,381,076)	812,033	3,798,324
Balance at 1 July 2013	5,367,367	(2,381,076)	812,033	3,798,324
Total comprehensive income				
- Loss for the period	-	(1,883,016)	-	(1,883,016)
- Other comprehensive income	-	-	-	-
Transactions recorded directly in equity	-	812,033	(812,033)	-
Balance at 30 June 2014	5,367,367	(3,452,059)	-	1,915,308

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Your directors present their report on the Company and its subsidiaries (together referred to as the Group or consolidated entity) for the financial year ended 30 June 2014. The Company is a listed public company registered in Australia. The principal activities are the exploration for and evaluation of economic deposits for gold and other minerals. The financial report is presented in Australian dollars.

(b) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The Group is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis except where otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

(c) Adoption of new and revised standards
Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(d) Statement of compliance

The financial report was authorised for issue on the date the directors' report and declaration was signed.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Forte Consolidated Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Basis of consolidation (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

When the company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights are sufficient to give it power, including,

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Business combinations are accounted for using the acquisition method of accounting.

(f) Critical accounting estimates and judgements

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation costs carried forward
In accordance with accounting policy Note 1 (w), management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions including the maintenance of title, ongoing expenditure and prospectivity are made. During the year, a total of $1,488,350 of exploration expenditure was written off. See Note 11 for disclosure of carrying values.

Recovery of deferred tax assets
Deferred tax assets are currently not recognised in the financial statements but will be subject to ongoing review.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Forte Consolidated Limited.

(h) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(i) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income Tax (continued)

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation
Forte Consolidated Limited and its 100% owned Australian resident subsidiaries implemented a tax consolidated group with effect from 1 July 2011. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Forte Consolidated Limited recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Business combinations (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(l) Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(o) Financial assets

Financial assets within the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial assets (continued)

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(p) Derecognition of financial assets and financial liabilities

(i) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset, or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit.

(r) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 5 years

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Plant and equipment (continued)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment
The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in a separate line item.

(ii) Derecognition and disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(t) Employee leave benefits

Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables or in employee benefits, in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after Tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(x) Reverse acquisition accounting

The transaction involving Forte acquiring all the issued shares in Nextstar in the 2011 financial year has been accounted for under the principles of Reverse Acquisitions included in Australian Accounting Standards AASB 3 *Business Combinations.*

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Reverse acquisition accounting (continued)

The legal structure of the Forte Group subsequent to the acquisition of Nextstar is that Forte remains as the legal parent entity. However, the principles of reverse acquisition accounting apply where the owners of the acquired entity (in this case, Nextstar) obtain control of the acquiring entity (in this case, Forte) as a result of the businesses' combination. Under the reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (Forte) but are a continuation of the financial statements of the legal subsidiary (Nextstar), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

(y) Parent entity financial information

The financial information for the parent entity, Forte Consolidated Limited, disclosed in note 22 has been prepared on the same basis as the consolidated financial statements.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated	
	2014 $	2013 $

The following revenue and expense items are relevant in explaining the financial performance for the year.

Revenue		
- Interest income – other parties	73,297	138,760
Expense		
- Administration services fees	225,335	347,537

NOTE 3: AUDITOR'S REMUNERATION

The auditor of Forte Consolidated Limited is HLB Mann Judd.

Amounts received or due and receivable by HLB Mann Judd for:		
Audit and review of financial reports	26,500	28,500
Tax compliance services	-	7,000

NOTE 4: INCOME TAX EXPENSE

(a) Recognised in the statement of comprehensive income

Current income tax expense	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total income tax benefit	-	-

NOTE 4: INCOME TAX EXPENSE (continued)

(b) Reconciliation between income tax expense and pre-tax profit/(loss)

	Consolidated	
	2014 $	2013 $
Loss before tax	(1,883,016)	(713,146)
Income tax using the domestic corporation tax rate of 30% (2013: 30%)	(564,905)	(213,944)
Tax effect of:		
Non-deductible expenses	1,535	2,760
Expiry of options to take up equity shares	243,610	-
Unused tax losses and temporary differences not recognised as deferred tax assets	319,760	211,184
Income tax expense on pre-tax loss	-	-

(c) Unrecognised deferred tax balances

Deferred tax assets and (liabilities) calculated at 30% (2013: 30%) have not been recognised in respect of the following:

Income tax losses	1,223,321	1,156,195
Temporary differences	(155,054)	(403,773)
	1,068,267	752,422

Deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets (and deferred tax liabilities relating to capitalised exploration expenditure for which immediate tax write-off is available) have not been recognised in the financial statements.

(d) Tax Consolidation

Forte Consolidated Limited and its 100% owned Australian resident subsidiaries implemented a tax consolidated group with effect from 1 July 2011 and therefore will be taxed as a single entity from that date.

The entities in the tax consolidated group have not entered into a tax sharing arrangement or a tax funding arrangement.

The adjustment arising from tax consolidation to the amount of unused tax losses available to offset future taxable income to the extent that the Group continues to satisfy loss integrity testing and available fraction rules was negligible.

NOTE 5: LOSS PER SHARE

	Consolidated	
	2014 Cents per share	2013 Cents per share
Basic loss per share	(1.97)	(0.74)
Weighted average number of ordinary shares used in calculation of loss per share	95,805,002	95,805,002
Loss used in calculation of basic loss per share	(1,883,016)	(713,146)

Diluted loss per share is not presented as the entity does not have on issue any dilutive potential ordinary shares.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	$	$
Cash on hand and at bank	187,035	243,320
Short-term deposits	1,179,999	2,004,095
	1,367,034	2,247,415

Cash at bank earns interest at floating rates on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and eight months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

NOTE 7: OTHER RECEIVABLES – CURRENT

Other receivables	29,127	27,855

No receivables are past due.

NOTE 8: OTHER ASSETS

Prepaid expenses	18,387	32,441

NOTE 9: OTHER RECEIVABLES – NON CURRENT

Exploration tenement guarantees	12,500	10,000

NOTE 10: PLANT AND EQUIPMENT

Plant and equipment at cost	89,670	82,588
Less: Accumulated depreciation	(56,936)	(43,006)
	32,734	39,582
Movement schedule for plant and equipment		
Opening written down value	39,582	54,951
Additions	7,083	1,412
Depreciation	(13,931)	(16,781)
Closing written down value	32,734	39,582

NOTE 11: EXPLORATION & EVALUATION EXPENDITURE

	Consolidated	
	2014	2013
	$	$
Cost brought forward in respect of areas of interest in the exploration and evaluation stage	1,517,396	625,755
Expenditure incurred during the year	566,957	987,037
Payments for purchase of tenement	40,000	10,000
Tenement assignment and recoupment of expenditure (i)	(9,819)	-
Expenditure written off during the year (i)	(1,488,350)	(105,396)
Cost carried forward	626,184	1,517,396

(i) The Clarke Prospect and associated tenements within The Kangaroo Hills project area were either relinquished or otherwise disposed of during the year.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of respective areas.

NOTE 12: TRADE AND OTHER PAYABLES

	2014	2013
Trade and other payables	144,041	55,178
Related party payables (Note 17)	22,841	21,187
	166,882	76,365

All payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 13: EMPLOYEE BENEFITS

	2014	2013
Current employee entitlements	3,776	-

NOTE 14: ISSUED CAPITAL

	2014	2013
Issued capital comprises		
95,805,002 fully paid ordinary shares (2013: 95,805,002)	5,367,367	5,367,367

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	2014		2013	
Movement in issued shares for the year	No.	$	No.	$
Balance at beginning of the financial year	95,805,002	5,367,367	95,805,002	5,367,367
Issued for cash	-	-	-	-
Costs associated with the issue of shares		-		-
Balance at end of the financial year	95,805,002	5,367,367	95,805,002	5,367,367

Options over ordinary shares	**2014**	**2013**
	No.	No.
Options on issue at beginning of period	85,203,334	85,203,334
Issued for cash	-	-
Issued free-attaching to shares issued	-	-
Expired	(85,203,334)	-
Options on issue at end of period	-	85,203,334

NOTE 15: RESERVES

	Consolidated	
	2014 $	2013 $
Option Reserve		
Balance at beginning of the financial year	812,033	812,033
Issue of options	-	-
Transfer to accumulated losses on expiry of options	(812,033)	-
Balance at end of the financial year	-	812,033

The option reserve arises on the grant and/or issue of share options. Amounts are transferred out of the reserve to accumulated losses when the options lapse or expire. When options are exercised, amounts carried in the reserve related to those particular options are dealt with based on their origination. If cash-related those amounts may be transferred out of the reserve to issued capital. If not cash-related, the amounts are transferred out of the reserve to accumulated losses.

NOTE 16: STATEMENT OF CASH FLOWS

Reconciliation of operating loss after income tax to net cash used in operating activities

	2014 $	2013 $
Operating loss after income tax	(1,883,016)	(713,146)
Add: Non-cash items		
Depreciation	13,931	16,781
Depreciation – capitalised	(11,198)	(15,936)
Exploration and evaluation expenditure written off	1,488,350	105,396
Change in assets and liabilities		
(Increase)/decrease in other current assets	10,097	28,317
(Increase)/decrease in other current receivables	(1,272)	27,996
Increase/(decrease) in operating payables	(15,886)	(32,014)
Increase/(decrease) in employee entitlements	3,776	-
Net cash used in operating activities	(395,218)	(582,606)

NOTE 17: RELATED PARTY DISCLOSURES

a) **Equity Interests in related parties**

Equity Interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 18 to the financial statements.

b) **Transactions within the wholly owned group**

The wholly owned group includes:

- The ultimate parent entity in the wholly-owned group and;
- The wholly-owned controlled entities

The ultimate parent entity in the wholly-owned group is Forte Consolidated Limited

During the financial year Forte Consolidated Limited provided accounting and administrative services at no cost to the controlled entities and the advancement of interest free loans.

NOTE 17: RELATED PARTY DISCLOSURES (continued)

c) Transactions with key management personnel

The following comprises amounts paid or payable and received or receivable applicable to entities in which key management personnel (KMP) have an interest.

	Consolidated entity	
Directors	**2014 $**	**2013 $**
Paid/payable to:		
J Terpu and B Firriolo (as Trustees of the CAS Trust & BCF Trust trading as Chellserv) for administration services	225,335	347,537
B Cleaver (as Director of Arodam Pty Ltd atf Arodam Trust) for corporate and IT services	14,000	-

Amounts owed to related parties at 30 June 2014 were Chellserv $22,841 (2013: $21,187), Arodam Pty Ltd $nil (2013: $nil).

Refer to the remuneration report contained in the Director's Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2014 $	2013 $
Short-term employee benefits	52,421	139,546
Post-employment benefits	39,146	25,602
Total KMP compensation	91,567	165,148

NOTE 18: CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Ownership Interest	
		2014 %	2013 %
Parent Entity			
Forte Consolidated Limited	Australia		
Controlled Entities			
Nextstar Pty Ltd	Australia	100	100

NOTE 19: COMMITMENTS FOR EXPENDITURE AND CONTINGENCIES

(a) Exploration Expenditure Commitments

The Group has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences, and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the Group.

NOTE 19: COMMITMENTS FOR EXPENDITURE AND CONTINGENCIES (continued)

(a) **Exploration Expenditure Commitments (continued)**

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements, where the status of the tenements is to remain unchanged, and excluding commitments where a joint venture party has agreed to meet the Group's obligations, are approximately:

	2014 $	2013 $
Not later than one year	110,000	590,000
Later than one year but not later than five years	420,000	1,140,000
	530,000	1,730,000

(b) **Native Title**

Native title claims have been made with respect to areas which include tenements in which Forte Consolidated Limited has interests. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects.

(c) **Administrative Services Agreement**

On 15 April 2013, Chellserv (of which Messrs Terpu and Firriolo are the principals) commenced a two year extended term in relation to an Administration Services Agreement. The Company's obligation at balance date to make payments of variable amounts to Chellserv are estimated to be:

	2014 $	2013 $
Not later than one year	178,125	216,000
Later than one year but not later than five years	-	171,000
	178,125	387,000

The extended term of the Agreement expires on 14 April 2015 but continues thereafter until terminated by either party giving three months notice of termination. If notice of termination is given immediately following expiry of the extended term, the Company would be liable for further variable monthly charges estimated to be $56,250 (2013: $54,000).

(d) **Contingencies**

The group has no contingent liabilities or assets at 30 June 2014.

NOTE 20: SEGMENT INFORMATION

The group has one reportable segment being mineral exploration in Australia.

NOTE 21: FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Overview (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. At the balance date there were no significant concentrations of credit risk.

Cash and cash equivalents
The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables
As the Group operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Group where necessary establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated Company Carrying amount	
	2014	**2013**
	$	**$**
Cash and cash equivalents	1,367,034	2,247,415
Other receivables	41,627	37,855

Impairment Losses
None of the Group's other receivables are past due (2013: nil).

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

The following are the Group's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2014	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Non-interest bearing	$170,658	170,658	166,882	3,776	-	-

30 June 2013	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Non-interest bearing	$76,365	76,365	76,365	-	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company is not exposed to currency risk and at balance date the Group holds no financial assets or liabilities which are exposed to foreign currency risk.

Interest Rate Risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposit at interest rates maturing over 90 day rolling periods.

Profile
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Consolidated Carrying amount	
	2014 $	2013 $
Fixed rate instruments		
Financial assets – term deposits	1,179,999	2,004,095
Variable rate instruments		
Financial assets – cash on hand and at bank	187,035	243,320

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

Company

	Profit or loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2014				
Variable rate instruments	1,770	(1,716)	1,770	(1,716)
30 June 2013				
Variable rate instruments	2,433	(2,379)	2,433	(2,379)

Fair Values

Fair values versus carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	Consolidated			
	30 June 2014		30 June 2013	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	1,367,034	1,367,034	2,247,415	2,247,415
Other receivables	41,627	41,627	37,855	37,855
Trade and other payables	(166,882)	(166,882)	(76,365)	(76,365)
Employee benefits	(3,776)	(3,776)	-	-
	1,238,003	1,238,003	2,208,905	2,208,905

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital Management

Capital is defined as the equity of the Group.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

NOTE 22: PARENT ENTITY DISCLOSURES

Financial position	**30 June 2014 $**	**30 June 2013 $**
Assets		
Current assets	1,413,485	2,298,193
Non-current assets	672,481	6,196,619
Total assets	2,085,966	8,494,812
Liabilities		
Current Liabilities	170,658	76,362
Total liabilities	170,658	76,362
Net Assets	1,915,308	8,418,450
Equity		
Issued capital	18,529,445	18,529,445
Reserves		
Option reserve	-	812,033
Accumulated losses	(16,614,137)	(10,923,028)
Total equity	1,915,308	8,418,450

Financial performance	**30 June 2014 $**	**30 June 2013 $**
Loss for the year	(6,503,142)	(713,146)
Other comprehensive income, net of income tax	-	-
Total comprehensive loss	(6,503,142)	(713,146)

Commitments and Contingencies – refer Note 19.
The exploration expenditure and Services Agreement commitments and native title claims referred to relate to both parent and subsidiary. Other than the previously mentioned, the parent entity has no contingent liabilities or assets at 30 June 2014.

The investment in Nextstar has been impaired to the extent that the original consideration for the acquisition of Nextstar pertained to tenement expenditure written off in the current and prior periods.

NOTE 23: EVENTS AFTER BALANCE DATE

There has not been any matter or circumstance that has arisen after balance date 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 periods.

1. In the opinion of the Directors of Forte Consolidated Limited (the "Company"):

   (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the group's financial position at 30 June 2014 and of its performance for the year then ended; and

      (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

John Terpu

John Terpu
Chairman
Perth WA

16 September 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Forte Consolidated Limited

Report on the Financial Report

We have audited the accompanying financial report of Forte Consolidated Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Forte Consolidated Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(d).

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Forte Consolidated Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D Buckley

D I Buckley
Partner

Perth, Western Australia
16 September 2014

Additional information as required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

1. Shareholder Information

1.1 As at 16 September 2014 the Company had 181 holders of Ordinary Fully Paid Shares.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

1.2 Distribution of Shares (as at 16 September 2014)

No.	Fully Paid Shares
1-1,000	36
1,001-5,000	14,654
5,001-10,000	736,700
10,001-100,000	2,707,014
100,001-over	92,346,598
Total	**95,805,002**

The number of shareholders holding less than a marketable parcel is 84.

1.3 Substantial Shareholders

The following shareholders are recorded as substantial shareholders:

Name	Fully Paid Shares Number
VALLEYBROOK INVESTMENTS PTY LTD <TERPU A/C> & OTHERS	33,466,026
DANNY TAK TIM CHAN	28,269,196
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,702,094
Total	**68,437,316**

1.4 Twenty Largest Holders of Listed Shares (as at 16 September 2014)

	Fully Paid Ordinary	
Ordinary Shareholders	Number	Percentage
DANNY TAK TIM CHAN	28,269,196	29.51%
VALLEYBROOK INVESTMENTS PTY LTD <TERPU A/C>	26,583,126	27.75%
VALLEYROSE PTY LTD <TERPU SUPER FUND A/C>	6,882,900	7.18%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,702,094	7.00%
MR MARK BARNABA	4,375,000	4.57%
CITICORP NOMINEES PTY LIMITED	4,033,130	4.21%
GOLDEN GATE S A	2,500,000	2.61%
KIWI BATTLER PTY LTD <KIWI BATTLER SUPER FUND A/C>	2,452,089	2.56%
ORBIT DRILLING PTY LTD	1,817,226	1.90%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	1,748,630	1.83%
GOLDEN MILE INVESTMENTS PTY LTD	1,000,000	1.04%
MRS MELISSA DOMENICA CIFELLI	925,000	0.97%
MRS CARMELA FIRRIOLO	875,000	0.91%
MR PHILIP RUSSELL HARRIS <HARRIS FAMILY A/C>	700,000	0.73%
MRS RHODA JOY HARRIS & MR PHILIP RUSSELL HARRIS <HARRIS SUPER FUND A/C>	650,000	0.68%
ADMARK INVESTMENTS PTY LTD <JS PINTO SUPER FUND A/C>	550,000	0.57%
ARODAM PTY LTD <THE ARODAM A/C>	451,540	0.47%
MR BRIAN BARRY CLEAVER & MRS JEAN ISABEL CLEAVER <CLEAVER SUPER FUND A/C>	382,000	0.40%
MISS ANNE-MARIE DEAN	177,000	0.18%
COOLTRAS PTY LTD <KOULOUKAKIS INVESTMENT A/C>	154,027	0.16%
Total	**91,227,958**	**95.23%**

1.5 Share Buy-Backs

There is no current on-market buy-back scheme.

2. Other Information

Forte Consolidated Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

3. Tenement Schedule

Tenement No.	Registered Holder	Forte Equity	Area	Grant date	Expiry date
Queensland					
EPM 18986	Forte Consolidated Limited	100%	100 blocks	13 Dec 2012	12 Dec 2017
EPM 25196	Forte Consolidated Limited	100%	4 blocks	3 Sept 2014	2 Sept 2017

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