



**Mount Ridley Mines Limited**

**ABN 93 092 304 964**

**and its controlled entity**

**Half year report for the half-year ended**

**31 December 2016**

## Corporate directory

### Board of Directors

Mr Michael Pedley	Non-Executive Chairman
Mr Ashley Hood	Managing Director
Mr Guy Le Page	Non-Executive Director
Mr Keith Bowker	Non-Executive Director

### Company Secretary

Mr Keith Bowker

### Registered Office & Principal Place of Business

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West Perth, Western Australia 6005  
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### Postal Address

PO Box 964  
West Perth, Western Australia 6872

### Auditors

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth, Western Australia 6000

### Share Registry

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770 Canning Highway  
Applecross, Western Australia 6153  
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### Stock Exchange

Australian Securities Exchange  
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152-158 St Georges Terrace  
Perth, Western Australia 6000

### ASX Code

MRD

# Half year report for the half-year ended 31 December 2016

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## Directors' report

The directors of Mount Ridley Mines Limited ("Mount Ridley" or "the Company") submit herewith the financial report of Mount Ridley Mines Limited and its subsidiary ("the Group") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Names of Directors

The names of Directors who held office during or since the end of the half-year are:

Mr Michael Pedley  
Mr Ashley Hood  
Mr Guy Le Page  
Mr Keith Bowker  
Mr Robert Downey  
Mr Dean Goodwin

The above named directors held office during and since the end of the half-year except for:

Mr Ashley Hood – appointed 31 August 2016  
Mr Robert Downey – resigned 31 August 2016  
Mr Dean Goodwin – resigned 31 August 2016

### Review of operations

During the half-year ended 31 December 2016, Mr Ashley Hood was appointed as Managing Director and Mr Michael Pedley assumed the role of Non-Executive Chairman following the resignations of Mr Dean Goodwin and Mr Robert Downey.

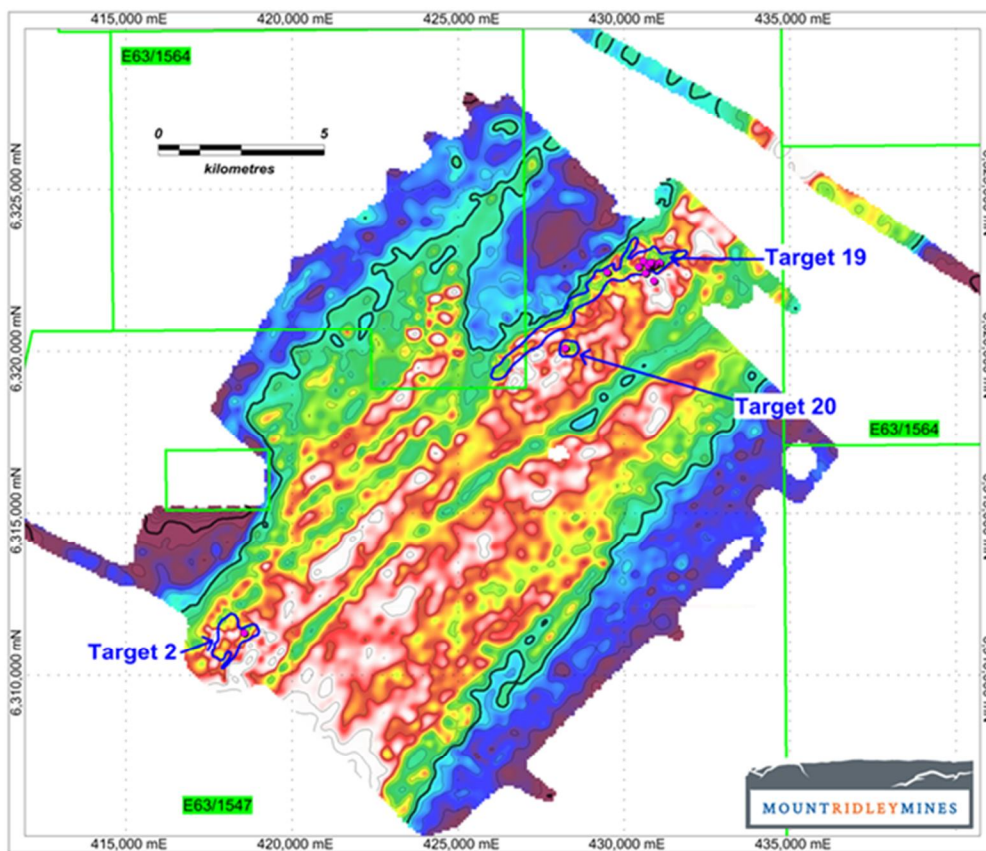
Exploration efforts at the Company's 100% owned Mt Ridley Project within the highly prospective Albany-Fraser Range province continued under the appointment of CSA Global headed by its nickel sulphide expert Mr Tony Donaghy and renowned geophysics specialist Mr Russell Mortimer of Southern Geoscience Australia.

A down hole electromagnetic survey (DHTEM) located an off-hole conductor at MRDD016. Modelling defined a strong (>10,000 Siemens) local conductor centred at approximately 650m downhole, immediately off-hole below and to the east of diamond hole MRDD016. Subsequently holes MRDD017 (410m) and MRDD018 (732m) were drilled to test the off-hole conductor located down MRDD016. Both MRDD017 and MRDD018 missed the conductor target due to previously unknown geological conditions causing the diamond drill holes to excessively deviate off course.

The CSA Global - Mt Ridley Review was announced on 12 December 2016. The Company was proactive and had already been active in implementing exploration techniques and methods on a regional scale to best place the Mt Ridley Project and Company for success in 2017.

Regional ground gravity surveys highlighted two new priority areas immediately south of Target 19 (The Lake) and Target 2 (Tyrrell's) and are localised gravity highs/clusters that could be indicative of thicker accumulations of more dense mafic/ultramafic rocks and sulphide mineralisation (see **Figure 1** below).

A combination of magnetic, gravity and geochemistry data sets are being compiled to generate new targets for exploration in 2017 with the ongoing support of CSA Global.

**Review of operations (cont'd)****Figure 1**

On 14 July 2016, the Company completed a raising of \$1,941,923 (before costs) via the issue of 92,472,496 fully paid ordinary shares at an issue price of \$0.021 per share pursuant to the terms of an underwriting agreement with Barclay Wells Limited in relation to the expiry of the 30 June 2016 unlisted options.

The Company also completed a capital raising during the half-year ended 31 December 2016 via a placement of 158,763,031 fully paid ordinary shares at \$0.005 each for a total amount raised of \$793,815 (before costs) to sophisticated investors of the Company. The Company also issued free attaching unlisted options on a 1 for 2 basis, exercisable at \$0.0125 on or before 31 August 2019.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 3 of the half-year report and forms part of this directors' report.

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

On behalf of the directors

Mr Ashley Hood  
**Managing Director**  
 Perth, 16 March 2017

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Mount Ridley Mines Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
16 March 2017



L Di Giallonardo  
Partner

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Mount Ridley Mines Limited

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Mount Ridley Mines Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

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

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mount Ridley Mines Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Emphasis of Matter*

Without qualifying our conclusion, we draw attention to Note 1 to the half-year report which indicates that the Group will be required to access additional equity funding or divest its assets within the next 12 months in order to continue as a going concern. In the event that the Group is not able to raise additional funds or divest its assets, there exists a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and therefore, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.



**HLB Mann Judd**  
Chartered Accountants



**L Di Giallonardo**  
Partner

**Perth, Western Australia**  
**16 March 2017**



## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes as set out on pages 7 to 16 comply with the *Corporations Act 2001*, Accounting Standards (including AASB 134 '*Interim Financial Reporting*') and other mandatory professional reporting requirements, and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Mr Ashley Hood  
**Managing Director**  
Perth, 16 March 2017

## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

	Note	Consolidated	
		Half-year ended	
		31 Dec 2016	31 Dec 2015
		\$	\$
Revenue from continuing operations	4	23,042	9,389
Consulting fees		(67,178)	(225,711)
Compliance and regulatory expenses		(69,238)	(58,036)
Depreciation		(5,468)	(6,728)
Exploration expenses		(1,256,874)	(1,413,824)
Occupancy costs		(15,278)	(15,773)
Directors' fees		(92,864)	(70,000)
Administrative expenses		(113,685)	(41,377)
Share based payments – Directors & Officers		(104,484)	-
<b>Loss before income tax</b>		<b>(1,702,027)</b>	<b>(1,822,060)</b>
Income tax benefit	4	-	905,062
<b>Loss for the period</b>		<b>(1,702,027)</b>	<b>(916,998)</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<b>Other comprehensive income for the period, net of income tax</b>		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,702,027)</b>	<b>(916,998)</b>
<b>Loss per share:</b>			
Basic and diluted (cents per share)		(0.15)	(0.11)

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

## Condensed consolidated statement of financial position as at 31 December 2016

	Note	Consolidated	
		31 Dec 2016	30 Jun 2016
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		2,077,666	942,671
Trade and other receivables		107,349	177,885
<b>Total current assets</b>		<b>2,185,015</b>	<b>1,120,556</b>
<b>Non-current assets</b>			
Financial assets		-	15,708
Exploration and evaluation expenditure	5	786,804	786,804
Property, plant and equipment		69,712	72,815
<b>Total non-current assets</b>		<b>856,516</b>	<b>875,327</b>
<b>Total assets</b>		<b>3,041,531</b>	<b>1,995,883</b>
<b>Current liabilities</b>			
Trade and other payables		217,287	165,690
Unissued shares		-	15,000
<b>Total current liabilities</b>		<b>217,287</b>	<b>180,690</b>
<b>Total liabilities</b>		<b>217,287</b>	<b>180,690</b>
<b>Net assets</b>		<b>2,824,244</b>	<b>1,815,193</b>
<b>Equity</b>			
Issued capital	6	23,140,753	21,017,352
Reserves	8	1,493,456	905,779
Accumulated losses		(21,809,965)	(20,107,938)
<b>Total equity</b>		<b>2,824,244</b>	<b>1,815,193</b>

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

## Condensed consolidated statement of changes in equity for the half-year ended 31 December 2016

	Issued capital	Option reserve	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>19,201,817</b>	<b>905,779</b>	<b>(18,039,427)</b>	<b>2,068,169</b>
Loss for the period	-	-	(916,998)	(916,998)
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(916,998)</b>	<b>(916,998)</b>
Issue of ordinary shares	532,000	-	-	532,000
Share issue costs	(31,920)	-	-	(31,920)
<b>Balance at 31 December 2015</b>	<b>19,701,897</b>	<b>905,779</b>	<b>(18,956,425)</b>	<b>1,651,251</b>
<b>Balance at 1 July 2016</b>	<b>21,017,352</b>	<b>905,779</b>	<b>(20,107,938)</b>	<b>1,815,193</b>
Loss for the period	-	-	(1,702,027)	(1,702,027)
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,702,027)</b>	<b>(1,702,027)</b>
Issue of ordinary shares	2,770,738	-	-	2,770,738
Share issue costs	(647,337)	-	-	(647,337)
Share based payments	-	587,677	-	587,677
<b>Balance at 31 December 2016</b>	<b>23,140,753</b>	<b>1,493,456</b>	<b>(21,809,965)</b>	<b>2,824,244</b>

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

## Condensed consolidated statement of cash flows for the half-year ended 31 December 2016

	Consolidated	
	Half-year ended	
	31 Dec 2016	31 Dec 2015
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(177,589)	(508,810)
Payments for exploration and evaluation	(1,288,395)	(1,423,237)
Research and development refund received	-	905,062
Interest received	16,042	9,389
Rental bond refund	15,708	-
Net cash (used in) operating activities	(1,434,234)	(1,017,596)
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	-	7,500
Payment for property, plant and equipment	(2,365)	(16,470)
Net cash (used in) investing activities	(2,365)	(8,970)
<b>Cash flows from financing activities</b>		
Proceeds from equity instruments of the Company	2,735,738	532,000
Payment for share issue costs	(164,144)	(31,920)
Net cash provided by financing activities	2,571,594	500,080
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,134,995</b>	<b>(526,486)</b>
Cash and cash equivalents at the beginning of the period	942,671	1,369,598
<b>Cash and cash equivalents at the end of the period</b>	<b>2,077,666</b>	<b>843,112</b>

Notes to the condensed consolidated financial statements are included on pages 11 to 16.

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2016

### 1. Significant accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2016 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by the directors on 16 March 2017.

#### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 30 June 2016 and the corresponding half-year financial report, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the consolidated entity from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

#### Going concern basis

The condensed consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the half-year ending 31 December 2016, the Group incurred a loss after tax of \$1,702,027 (31 December 2015: \$916,998) and a net cash outflow from operations of \$1,434,234 (31 December 2015: \$1,017,596). At 31 December 2016, the Group had net current assets of \$1,967,728 (30 June 2016: \$939,866).

**Going concern basis (cont'd)**

Based on the Group's existing cash resources of \$2,077,666 (30 June 2016: \$942,671), the ability to modify expenditure outlays, if required, and to source additional funds, the directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered appropriate for the Group's 31 December 2016 half-year consolidated financial statements.

The board of directors is aware, having prepared a cash flow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months. In the event that the Group is not able to raise additional funds or divest its assets, there exists a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and therefore, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial statements.

**Significant accounting judgements and key estimates**

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

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2016.

**Adoption of new and revised Standards**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The adoption of these amendments does not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

The directors have also reviewed all of the new and revised Standards and Interpretations on issue but not yet effective. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations not yet effective and therefore no material change is necessary to Group accounting policies.

## 2. Segment information

The Group operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia only. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Group as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and are set out in the condensed consolidated statement of financial position.

## 3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2016 and the directors have not recommended the payment of a dividend.

## 4. Revenue and income tax benefit

	Half-year ended	Half-year ended
	31 Dec 2016	31 Dec 2015
	\$	\$
<b>Revenue from continuing operations</b>		
Interest income	16,042	9,389
Other income	7,000	-
	<b>23,042</b>	<b>9,389</b>
<b>Income tax benefit</b>		
Research and development refund	-	905,062

## 5. Exploration and evaluation expenditure

	Half-year ended	Year ended
	31 Dec 2016	30 June 2016
	\$	\$
Carrying value at beginning of the period	786,804	781,648
Expenditure incurred during the period	-	5,156
Carrying value at end of the period	<b>786,804</b>	<b>786,804</b>

Recoverability of the above carrying amount is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.



## 6. Issued capital

1,219,183,243 fully paid ordinary shares  
(30 June 2016: 965,233,430)

	31 Dec 2016	30 Jun 2016
	\$	\$
	<b>23,140,753</b>	<b>21,017,352</b>

Fully paid ordinary shares	Half-year ended		Year ended	
	31 Dec 2016		30 Jun 2016	
	No.	\$	No.	\$
Balance at beginning of period	965,233,430	21,017,352	797,174,646	19,201,817
Issue of shares (i)	714,286	15,000	-	-
Issue of shares (ii)	92,472,496	1,941,923	-	-
Placement (iii)	158,763,031	793,815	-	-
Issue of shares (iv)	2,000,000	20,000	-	-
Placement (v)	-	-	28,000,000	532,000
Placement (vi)	-	-	138,776,200	1,387,762
Issue of shares (vii)	-	-	1,282,584	26,934
Share issue costs	-	(647,337)	-	(131,161)
	<b>1,219,183,243</b>	<b>23,140,753</b>	<b>965,233,430</b>	<b>21,017,352</b>

(i) Issue of fully paid ordinary shares on 1 July 2016 following conversion of 714,286 unlisted options at \$0.021 each expiring 30 June 2016.

(ii) Issue of fully paid ordinary shares on 14 July 2016 pursuant to an underwriting agreement with Barclay Wells Limited for the underwriting of 92,472,496 unlisted options at \$0.021 each expiring 30 June 2016.

(iii) Issue of fully paid ordinary shares on 18 October 2016 at \$0.005 each pursuant to a placement to sophisticated and institutional investors of the Company.

(iv) Issue of fully paid ordinary shares on 8 December 2016 at a deemed issue price of \$0.01 each to a creditor of the Company pursuant to a service agreement.

(v) Issue of fully paid ordinary shares on 20 July 2015 at \$0.019 each pursuant to a placement to sophisticated and institutional investors of the Company.

(vi) Issue of fully paid ordinary shares on 18 April 2016 at \$0.01 each pursuant to a placement to sophisticated and institutional investors of the Company.

(vii) Issue of fully paid ordinary shares on 29 June 2016 following conversion of 1,282,584 unlisted options at \$0.021 each expiring 30 June 2016.

## 7. Commitments

The Group must meet annual tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied for or are otherwise disposed of. These commitments are not provided for in the accounts and are payable:

	31 Dec 2016	30 June 2016
	\$	\$
<b>Exploration expenditure commitments</b>		
Not later than one (1) year	541,061	339,993
Longer than one (1) year, but not longer than five (5) years	1,820,677	2,350,745
Longer than five (5) years	-	-
	<b>2,361,738</b>	<b>2,690,738</b>

## 8. Option Reserve

Unlisted options	Half-year ended 31 Dec 2016		Year ended 30 Jun 2016	
	No.	\$	No.	\$
Balance at beginning of period	302,701,982	905,779	398,957,062	905,779
Issue of options (i)	69,388,100	-	-	-
Issue of options (ii)	20,000,000	179,443	-	-
Issue of options (iii)	104,469,366	303,750	-	-
Issue of director options (iv)	22,500,000	104,484	-	-
Issue of options (v)	79,381,515	-	-	-
Expiry of options (vi)	(7,500,000)	-	-	-
Expiry of options (vii)	(5,201,982)	-	-	-
Issue of options (viii)	-	-	14,000,000	-
Exercise of options (ix)	-	-	(1,282,584)	-
Exercise of options (x)	-	-	(714,286)	-
Expiry of options (xi)	-	-	(15,785,714))	-
Exercise of options (xii)	-	-	(92,472,496)	-
	<b>585,738,981</b>	<b>1,493,456</b>	<b>302,701,982</b>	<b>905,779</b>

(i) Issue of free attaching unlisted options exercisable at \$0.025 expiring 30 June 2017 pursuant to a placement in April 2016. Issued on 12 July 2016.

(ii) Issue of unlisted options exercisable at \$0.025 expiring 30 June 2017 as part of the placement fee for the placement in April 2016. Issued on 12 July 2016.

(iii) Issue of unlisted options exercisable at \$0.03 expiring 30 June 2019 pursuant to the underwriting agreement with Barclay Wells Limited. Issued on 29 November 2016.

(iv) Issue of unlisted options exercisable at \$0.015 expiring 29 November 2019 to directors of the Company. 10,000,000 options to Mr Hood, 5,000,000 options each to Messrs Pedley and Le Page and 2,500,000 options to Mr Bowker. Issued on 29 November 2016.

(v) Issue of free attaching unlisted options exercisable at \$0.0125 expiring 31 August 2019 pursuant to a placement in October 2016. Issued on 29 November 2016.

(vi) Expiry of 31 December 2016 options exercisable at \$0.015.

(vii) Expiry of 31 December 2016 options exercisable at \$0.021.

(viii) Issue of free attaching unlisted options exercisable at \$0.07 expiring 30 June 2016 pursuant to a placement in July 2016. Issued on 20 July 2016.

(ix) Exercise of options at \$0.021 on 29 June 2016.

(x) Exercise of options at \$0.021 on 30 June 2016. Fully paid ordinary shares pertaining to the exercise of these options were issued subsequent to 30 June 2016.

(xi) Expiry of 30 June 2016 options exercisable at \$0.07.

(xii) Options exercised subsequent to 30 June 2016 pursuant to an underwriting agreement. The options were exercisable at \$0.021.

The following option arrangements were in existence at the reporting date:

Option series	Number	Exercise price	Expiry date
1	89,388,100	\$0.025	30 June 2017
2	5,000,000	\$0.070	31 March 2018
3	104,469,366	\$0.030	30 June 2019
4	10,000,000	\$0.021	31 August 2019
5	354,381,515	\$0.0125	31 August 2019
6	22,500,000	\$0.015	29 November 2019

**9. Key management personnel**

During the half-year ended 31 December 2016, Mr Ashley Hood was appointed as Managing Director and Mr Michael Pedley was appointed to the role of Chairman following the resignations of Messrs Dean Goodwin and Robert Downey. Mr Hood is paid a remuneration of \$10,000 per month (exc. GST) and Mr Pedley is paid a fee of \$3,333 per month (exc. GST) for his role as Chairman.

Remuneration policies of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For further details, please refer to the 30 June 2016 annual financial report.

**10. Contingent liabilities and contingent assets**

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2016 annual financial report.

**11. Subsequent events**

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.