



**Half Year Financial Report**  
31 December 2016

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# Corporate Directory

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ACN 100 714 181

## ASX CODE

KRC

King River Copper Limited shares are listed on the Australian Stock Exchange (ASX)

## DIRECTORS

Anthony Barton                      Non Executive Chairman

Greg MacMillan                      Non Executive Director

Leonid Charuckyj                      Non Executive Director

## COMPANY SECRETARY

Greg MacMillan

## REGISTERED OFFICE

254 Adelaide Tce

Perth WA 6000

Tel: (08) 9221 8055

Fax: (08) 9325 8088

Email: [info@kingrivercopper.com.au](mailto:info@kingrivercopper.com.au)

## BANKERS

ANZ Banking Corporation

77 St George's Terrace

Perth WA 6000

## SHARE REGISTER

Security Transfer Registrars Pty Ltd

770 Canning Highway

Applecross WA 6153

## AUDITORS

Ernst & Young

11 Mounts Bay Road

Perth WA 6000

## INTERNET ADDRESS

[www.kingrivercopper.com.au](http://www.kingrivercopper.com.au)

# Directors' Report

The directors submit their report for King River Copper Limited ("King River" or "the Company") and its controlled entity ("the Group" or "the Consolidated entity") for the half year ended 31 December 2016.

## DIRECTORS

The names and details of the Company's directors in office during the half year and until the date of this report are as follows: The directors were in office for the entire period unless otherwise stated.

### **Anthony Barton**

#### **Chairman**

#### **Appointed 21<sup>st</sup> May 2007**

Mr. Barton has been involved in founding and growing a number of successful listed public companies. He has extensive experience in capital markets, corporate finance, funds management and venture capital and has had advisory roles in the incorporation and listing of many Australian based resource companies.

Mr. Barton is the founding Executive Chairman of the boutique investment bank Australian Heritage Group. He is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and has 34 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms. Mr. Barton is also a non-executive Chairman of Spectrum Rare Earths Limited.

### **Leonid Charuckyj**

#### **Director**

#### **Appointed 13<sup>th</sup> December 2011**

Mr. Charuckyj (B.E. and M.Eng-Sc. Melbourne University) has had extensive experience over a broad range of technical, engineering, management and corporate roles including senior positions in government, public and private industry both in Australia and overseas. Focus has been on the environmental, pollution control and waste management industries and on the energy and mining industries amongst others.

This has included such diverse roles as representing Australia as an expert engineering advisor in the Middle East, developing and commercialising new technologies (both in the public company arena and for major international groups), and managing all aspects of an industrial minerals development from mine and processing to product development and marketing. Mr. Charuckyj is also a non-executive director of Spectrum Rare Earths Limited.

### **Gregory MacMillan**

#### **Director - Appointed 2<sup>nd</sup> July 2014**

#### **Company Secretary - Appointed 9<sup>th</sup> August 2012**

Mr. MacMillan has wide ranging corporate, financial, capital markets and commercial experience over the last 30 years. Mr. MacMillan has held the positions of director, company secretary, chief financial officer, and corporate finance executive in numerous companies across the finance, mining and commercial sectors. Mr. MacMillan holds a Bachelor of Business degree, is a Certified Practising Accountant and a Chartered Company Secretary.

## CORPORATE STRUCTURE

King River is a company limited by shares that is incorporated and domiciled in Australia. King River Copper Limited has a fully owned subsidiary Speewah Mining Pty Ltd. The Group has prepared a consolidated financial report incorporating the entity that it controlled during the financial half year, Speewah Mining Pty Ltd a 100% owned subsidiary.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

King River has established a portfolio of 100% owned tenements covering approximately 769 square kilometres in the East Kimberley region of Western Australia ("Tenements"). The principal activities of the entities within the Group during the half year were focusing on exploration and development of the Tenements in the East Kimberley region of Western Australia.

## REVIEW & RESULTS OF CONSOLIDATED OPERATIONS

The consolidated entity recorded an operating loss after income tax of \$313,029 for the half year ended 31 December 2016 (2015: \$316,101 loss).

There was no dividend declared or paid during the half year.

# Directors' Report

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

### Contributed Equity

During the half year the following significant changes were made to the Company's contributed equity:

- On the 3<sup>rd</sup> August 2016, the Company issued 127,133,897 ordinary shares @ \$0.0062 as part of a Share Purchase Plan;
- On the 22<sup>nd</sup> August 2016, the Company issued 48,129,032 ordinary shares @ \$0.0062 as part of a Placement from professional and sophisticated investors.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On the 6<sup>th</sup> March 2017, the Company announced a Share Purchase Plan (SPP) for existing shareholders to be able to purchase up to \$15,000 worth of additional shares. In conjunction with the SPP, a placement of up to \$300,000 may also be undertaken on the same pricing following the SPP offer.

On the 7<sup>th</sup> March 2017, the Company entered into a short term \$100,000 loan facility with GDM Services Pty Ltd (of which Greg MacMillan is a director and shareholder), the loan is to be repaid on or before 31 May 2017, is interest free, and is unsecured.

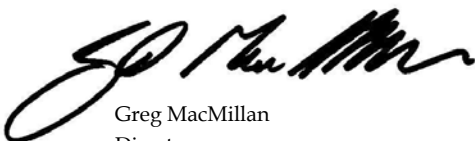
On the 9<sup>th</sup> March 2017, the Directors agreed to convert their outstanding Directors fees for the period August 2016 to March 2017 into shares at a price 20% above the SPP and placement price. The issue of the shares will be for a total of \$87,600 in outstanding fees and will be subject to shareholder approval.

Other than this there were no significant events following the balance date that affected the Company's equity or state of affairs.

## AUDITOR INDEPENDENCE

Section 307C of the Corporation Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the consolidated financial report. This Independence Declaration is disclosed on page 6 of this report and forms part of this directors' report for the half year ended 31 December 2016.

Signed in accordance with a resolution of the directors



Greg MacMillan  
Director

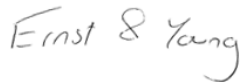
16<sup>th</sup> March 2017

## Auditor's Independence Declaration to the Directors of King River Copper Limited

As lead auditor for the review of King River Copper Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of King River Copper Limited and the entities it controlled during the financial period.



Ernst & Young



P Teale  
Partner  
Perth  
16 March 2017

# Directors' Declaration

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In accordance with a resolution of the directors of King River Copper Limited, I state:

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2016 and of its performance for the half year then ended; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and
- (b) subject to the matters set out in note 2(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.

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



Greg MacMillan  
Director

16<sup>th</sup> March 2017

# Statement of Comprehensive Income

## FOR THE HALF YEAR ENDED 31 DECEMBER 2016



	Notes	Consolidated	
		For the half year ended 31 Dec 2016	For the half year ended 31 Dec 2015
		\$	\$
Revenue	3(a)	339	584
Directors' and Employee benefit expenses			
- Wages & Salary		(63,800)	(63,800)
- Superannuation		(1,900)	(1,900)
Compliance costs	3(b)	(87,385)	(110,064)
Depreciation expense		(6,649)	-
Insurance refund		625	371
Other administration expenses	3(c)	(154,259)	(141,292)
<b>Loss before income tax expense</b>		<b>(313,029)</b>	<b>(316,101)</b>
Income tax expense		-	-
<b>Net loss after income tax benefit for the period</b>		<b>(313,029)</b>	<b>(316,101)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Loss for the period</b>		<b>(313,029)</b>	<b>(316,101)</b>
<b>Total Comprehensive Loss for the period is attributable to:</b>			
Owners of King River Copper Limited		(313,029)	(316,101)
		<b>(313,029)</b>	<b>(316,101)</b>
<b>Loss per share</b>			
Loss per share (cents)	9	(0.05)	(0.07)
Diluted loss per share (cents)		(0.05)	(0.07)

The accompanying notes form part of these consolidated financial statements.



# Statement of Financial Position

## AS AT 31 DECEMBER 2016



	Notes	Consolidated	
		31 December 2016 \$	30 June 2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		143,189	473,372
Trade and other receivables	8	71,866	23,749
<b>Total Current Assets</b>		<b>215,055</b>	<b>497,121</b>
<b>Non Current Assets</b>			
Deferred exploration expenditure	7	9,901,117	8,690,973
Plant & Equipment		73,173	44,828
<b>Total Non Current Assets</b>		<b>9,974,290</b>	<b>8,735,801</b>
<b>Total Assets</b>		<b>10,189,345</b>	<b>9,232,922</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	329,389	146,567
<b>Total Current Liabilities</b>		<b>329,389</b>	<b>146,567</b>
<b>Total Liabilities</b>		<b>329,389</b>	<b>146,567</b>
<b>Net Assets</b>		<b>9,859,956</b>	<b>9,086,355</b>
<b>Equity</b>			
Issued capital	5	29,453,937	28,367,307
Reserves		1,526,412	1,526,412
Accumulated losses		(21,120,393)	(20,807,364)
<b>Total Equity</b>		<b>9,859,956</b>	<b>9,086,355</b>

The accompanying notes form part of these consolidated financial statements.

# Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2016



	Consolidated	
	For the half year ended 31 Dec 2016	For the half year ended 31 Dec 2015
Notes	\$	\$
<b>Cash Flows from Operating Activities</b>		
Gross interest received	339	584
Payments to suppliers and employees	(324,586)	(274,577)
Net cash used in operating activities	(324,247)	(273,993)
<b>Cash Flows from Investing Activities</b>		
Payment for exploration and evaluation	(1,057,571)	(1,141,541)
Payment of Property, Plant & Equipment	(34,995)	-
Return of Security Deposits	-	46,671
Net cash used in investing activities	(1,092,566)	(1,094,870)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	1,086,630	1,127,547
Payment of share issue costs	-	(26,932)
Net cash from financing activities	1,086,630	1,100,615
Net decrease in cash and cash equivalents	(330,183)	(268,248)
Cash and cash equivalents at beginning of half year	473,372	879,750
<b>Cash and Cash Equivalents at end of half year</b>	<b>143,189</b>	<b>611,502</b>

# Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Consolidated for the half years ended 31 Dec 15 & 16	Issued Capital \$	Employee Option Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2015</b>	27,266,692	1,510,429	(20,620,161)	8,156,960
Net loss for the period	-	-	(316,101)	(316,101)
<b>Total comprehensive loss for the period</b>	-	-	(316,101)	(316,101)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of Share Capital – 26 <sup>th</sup> November 16: Placement	300,000	-	-	300,000
Issue of Share Capital – 26 <sup>th</sup> November 16: Rights Issue	827,547	-	-	827,547
Capital Raising Fees net of tax	(26,932)	-	-	(26,932)
<b>Balance at 31 December 2015</b>	<b>28,367,307</b>	<b>1,510,429</b>	<b>(20,936,263)</b>	<b>8,941,473</b>
<b>Balance at 1 July 2016</b>	<b>28,367,307</b>	<b>1,526,412</b>	<b>(20,807,364)</b>	<b>9,086,355</b>
Net loss for the period	-	-	(313,029)	(313,029)
<b>Total comprehensive loss for the period</b>	-	-	<b>(313,029)</b>	<b>(313,029)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of Share Capital – 3 <sup>rd</sup> August 16: SPP	788,230	-	-	788,230
Issue of Share Capital – 22 <sup>nd</sup> August 16: Placement	298,400	-	-	298,400
<b>Balance at 31 December 2016</b>	<b>29,453,937</b>	<b>1,526,412</b>	<b>(21,120,393)</b>	<b>9,859,956</b>

The accompanying notes form part of these consolidated financial statements.

# Notes to the Half Year Consolidated Financial Statements

## 1. CORPORATE INFORMATION

King River Copper Limited ("King River" or "the Company") is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These consolidated financial statements are presented in Australian dollars. The condensed financial report was authorised for issue by the directors on 14<sup>th</sup> March 2017 in accordance with a resolution of the directors. The nature of the operations and principal activities of the Group are described in the Directors' Report.

## 2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### (a) Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2016 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2016.

It is also recommended that the half year financial report be considered together with any public announcements made by King River and its controlled entities during the half year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the Annual Financial Report for 2016.

### (b) Going Concern Basis of Preparation

The Group incurred a net loss after income tax of \$313,029 for the half year ended 31 December 2016 (June 2016: \$187,203) and a net cash outflow of \$330,183 (June 2016: \$406,377). As at 31 December 2016 the Group had cash and cash equivalents of \$143,189 (June 2016: \$473,372) and a working capital deficit of \$114,334 (June 2016: \$350,554 surplus).

The Group will require further funding during the next 12 months in order to meet day to day obligations as they fall due and to progress its exploration projects.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;
- The Group retains the ability, if required, to wholly or in part dispose of interests in mineral exploration assets.
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.
- Future equity raisings are planned to provide funding for the Group's activities and to meet the Group's objectives.
- The Group has entered into a short term \$100,000 loan facility, as per note 10.
- The Directors have agreed to convert their outstanding Directors fees for the period August 2016 to March 2017 into shares as per note 10

Should the Group not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

# Notes to the Half Year Consolidated Financial Statements

## 2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern

### (c) New and Amended Accounting Standards and Interpretations

From 1 July 2016, the Group has adopted the Standards and Interpretations that are mandatory for annual periods beginning on or after 1 July 2016. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

	Consolidated	
	2016	2015
	\$	\$
<b>3. REVENUE AND EXPENSES</b>		
<b>(a) Revenue</b>		
Interest revenue	339	584
	339	584
<b>(b) Compliance costs</b>		
Accounting/ Audit fees	(39,980)	(16,400)
ASX/ ASIC fees	(23,384)	(57,566)
Share registry fees	(15,907)	(20,453)
Other expenses	(8,114)	(15,645)
	(87,385)	(110,064)
<b>(c) Other administration expenses</b>		
Administration & bookkeeping fees	(57,680)	(43,373)
Travel & accommodation	(14,763)	(19,089)
Shareholder relations	(19,000)	(10,228)
Office expenses	(57,209)	(60,486)
Other expenses	(5,607)	(8,116)
	(154,259)	(141,292)

## 4. SEGMENT INFORMATION

The Consolidated Entity operates in one geographical area being Australia and one industry, being exploration for the period to 31 December 2016. The Chief Operating Decision Makers are the Board of Directors and management of the Group. There is only one operating segment identified being exploration activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

# Notes to the Half Year Consolidated Financial Statements

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>5. ISSUED CAPITAL</b>		
<b>a) Issue and Paid Up</b>		
Issued and Fully Paid	29,453,937	28,367,307
Total	29,453,937	28,367,307

	31 December 2016		31 December 2015	
	Number of Shares	Amount Paid \$	Number of Shares	Amount Paid \$
<b>b) Movement in shares on issue</b>				
At 1 July	423,779,657	28,367,307	311,024,953	27,266,692
Issued during the period	175,262,929	1,086,630	112,754,704	1,127,547
Cost of issue	-	-	-	(26,932)
At 31 December	599,042,586	29,453,937	423,779,657	28,367,307

	31 December 2016			
	Listed Options		Unlisted Options	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
<b>c) Movement in share options on issue</b>				
At 31 December	124,410,168	10 cents	5,550,000	15 cents

There were no movements during the period.

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>6. COMMITMENTS &amp; CONTINGENCIES</b>		
<b>(a) Exploration Expenditure Commitment</b>		
In order to maintain the Group's interest in mining tenements, the Group is committed to meet the minimum expenditure conditions under which the tenements were granted.		
<b>Within 1 year</b>	799,800	759,673
<b>(b) Operating Lease Commitment</b>		
The Company entered an agreement for occupancy and warehouse storage facilities on a monthly basis, the commitments under these agreements are:		
<b>within 1 year</b>	24,000	24,000
<b>1 - 3 years</b>	24,000	24,000

# Notes to the Half Year Consolidated Financial Statements

	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>7. DEFERRED EXPLORATION EXPENDITURE</b>		
Costs carried forward in respect of:		
<b>Explorations and Evaluations Phase - At Cost</b>		
Balance at beginning of the half year	8,690,973	7,472,047
Expenditure incurred	1,210,144	1,218,926
<b>Total Exploration Expenditure</b>	9,901,117	8,690,973

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

## 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	31 December 2016	
	Carrying Value	Fair Value
	\$	\$
Trade and other receivables	71,866	71,866
Trade and other payables	329,389	329,389

	Consolidated	
	For the half year ended 31 Dec 2016	For the full year ended 30 June 16
	\$	\$
<b>9. LOSS PER SHARE</b>		
Loss used in calculation of basic and diluted earnings per share	(313,029)	(187,202)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	599,042,586	423,779,657
Effect of dilution - share options	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	599,042,586	423,779,657

As at 31 December 2016 the Company has 5,500,000 Directors' and Employees Options (June 2016: 5,550,000) on issue. These options are not considered to be dilutive as the conversion of the options to ordinary shares will decrease loss per share.

There have been no transactions involving ordinary shares or potential ordinary shares subsequent to the balance date that would significantly change the number of ordinary shares or potential ordinary shares outstanding for the reporting period.

# Notes to the Half Year Consolidated Financial Statements

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## 10. EVENTS AFTER THE BALANCE SHEET DATE

On the 6<sup>th</sup> March 2017, the Company announced a Share Purchase Plan (SPP) for existing shareholders to be able to purchase up to \$15,000 worth of additional shares. In conjunction with the SPP, a placement of up to \$300,000 may also be undertaken on the same pricing following the SPP offer.

On the 7<sup>th</sup> March 2017, the Company entered into a short term \$100,000 loan facility with GDM Services Pty Ltd (of which Greg MacMillan is a director and shareholder), the loan is to be repaid on or before 31 May 2017, is interest free, and is unsecured.

On the 9<sup>th</sup> March 2017, the Directors agreed to convert their outstanding Directors fees for the period August 2016 to March 2017 into shares at a price 20% above the SPP and placement price. The issue of the shares will be for a total of \$87,600 in outstanding fees and will be subject to shareholder approval.

Other than this there were no significant events following the balance date that affected the Company's equity or state of affairs.



## To the members of King River Copper Limited

We have reviewed the accompanying half-year financial report of King River Copper Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' responsibility for the 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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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 King River Copper Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the interim financial report.

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

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

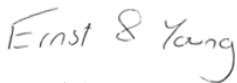
## Conclusion

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

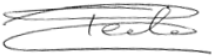
- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

## Material uncertainty related to going concern

Without modifying our conclusion, we draw attention to Note 2 (b) in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



P Teale  
Partner  
Perth  
16 March 2017