



NARACOOTA RESOURCES LTD

ABN 77 143 142 410

**Financial report for the half-year ended
31 December 2014**

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CORPORATE DIRECTORY

Board of Directors

Non-Executive Director	George Cameron-Dow
Non-Executive Director	Christian Cordier
Non-Executive Director	Gavin Wates
Non-Executive Director	Dr Eric Lilford
Company Secretary	Josh Puckridge

Principal Office

Level 9, 105 St Georges Terrace
Perth, Western Australia 6000

Registered Office

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Perth, Western Australia 6000

Postal Address

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www.naracoota.com.au
ABN 77 143 142 410

Share Registry

Computershare
Level 2, 45 St Georges Terrace
Perth, Western Australia, 6000
1300 557 010 (Telephone)
www.computershare.com.au

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Lawyers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, Western Australia 6000

Directors' Report

The Directors of Naracoota Resources Limited submit herewith the financial report for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

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

Non-Executive Directors

Mr George Cameron-Dow
Mr Christian Cordier
Dr Eric Lilford
Mr Gavin Wates

Principal activities

The principal activities of the Company during the interim period were exploration and evaluation of mineral interests.

Results

The net loss after income tax of the Company for the interim period was \$140,551 (2013: \$192,041 loss).

Review of operations

During the interim period the Company engaged consultants to complete a soil sampling campaign over P52/1213. P52/1213 is a granted Prospecting Licence covering 160 ha situated approximately 140km NW of Meekatharra. It is planned to further review the results from this sampling campaign early in 2015.

The Company is actively pursuing new project acquisition opportunities and the projects reviewed during the period under review have not been limited to mineral exploration projects.

Other than the exploration and corporate activities as detailed in the reports released to the market, there have been no other significant operations by the Company during the six months to 31 December 2014.

The Company, being mindful of the current lack of support for junior natural resources explorers from Australian equity markets, has continued its focus on cost management in the interest of preserving cash and consequently maintains a robust cash balance of \$3.89m.

Auditor's independence declaration

The auditor's independence declaration is included on page 4 for the six months ended 31 December 2014.

Signed in accordance with a resolution of Directors.

On behalf of the Directors


George Cameron-Dow
Non-Executive Director
18 February 2015

18 February 2015

Board of Directors
Naracoota Resources Limited
Level 9, 105 St Georges Terrace,
PERTH, WA, 6000

Dear Directors

RE: NARACOOTA RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Naracoota Resources Limited.

As Audit Director for the review of the financial statements of Naracoota Resources Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



John P Van Dieren
Director

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 thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standard AASB 134 Interim Financial Reporting and giving a true and fair view of the financial position and performance of the Company for the half-year ended 31 December 2014.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Directors


George Cameron-Dow
Non-Executive Director
18 February 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
NARACOOTA RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Naracoota Resources Limited, which comprises the statement of financial position as at 31 December 2014, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards 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 Company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Naracoota Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Naracoota Resources Limited on 18 February 2015.

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


John P Van Dieren

Director

West Perth, Western Australia
18 February 2015

Statement of Profit or Loss and Other Comprehensive Income for the Half-year ended 31 December 2014

	Half-year ended 31 Dec 2014 \$	Half-year ended 31 Dec 2013 \$
Revenue	64,155	131,376
Employee and contractors expenses	(80,182)	(89,257)
Finance costs	—	(4,003)
Depreciation expense	(90)	(1,830)
Consultants expenses	(78,962)	(81,638)
Exploration and evaluation expenses	(11,727)	(3,509)
Impairment expense	—	(13,750)
Administration expenses	(33,745)	(129,430)
Loss from continuing operations before income tax expense/benefit	(140,551)	(192,041)
Income tax expense/credit (Research and Development rebate)	—	—
(Loss)/profit from continuing operations attributable to members of the parent entity	(140,551)	(192,041)
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss	—	—
Items that may be subsequently reclassified to profit or loss	—	—
Total comprehensive (loss)/income for the period	(140,551)	(192,041)
(Loss)/profit attributable to owners of the Company	(140,551)	(192,041)
Total comprehensive (loss)/income attributable to owners of the Company	(140,551)	(192,041)
(Loss)/Earnings per share:		
Basic (cents per share)	(0.10)	(0.14)
Diluted (cents per share)	(0.10)	(0.14)

The accompanying condensed notes form part of the financial statements

Statement of Financial Position as at 31 December 2014

	Note	31 Dec 2014 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents		3,885,759	4,021,943
Trade and other receivables		5,388	5,692
Total current assets		3,891,147	4,027,635
Non-current assets			
Property, plant and equipment		177	267
Mining properties		13,172	13,172
Total non-current assets		13,349	13,439
TOTAL ASSETS		3,904,496	4,041,074
Current liabilities			
Trade and other payables		18,299	14,326
Total current liabilities		18,299	14,326
TOTAL LIABILITIES		18,299	14,326
NET ASSETS		3,886,197	4,026,748
Equity			
Issued capital	8	8,689,184	8,689,184
Reserves		509,619	509,619
Accumulated losses		(5,312,606)	(5,172,055)
TOTAL EQUITY		3,886,197	4,026,748

The accompanying condensed notes form part of the financial statements

Statement of Changes in Equity for the Half-year ended 31 December 2014

For the half-year ended 31 December 2014	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at beginning of period	8,689,184	509,619	(5,172,055)	4,026,748
Total comprehensive income				
Loss for the period	—	—	(140,551)	(140,551)
Other comprehensive income for the period	—	—	—	—
Total comprehensive loss for the period	—	—	(140,551)	(140,551)
Transactions with owners recorded direct to equity				
Issue of shares	—	—	—	—
Issue of options	—	—	—	—
Shares issue expenses	—	—	—	—
Total transactions with owners	—	—	—	—
Balance as at 31 December 2014	8,689,184	509,619	(5,312,606)	3,886,197

For the half-year ended 31 December 2013	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at beginning of period	8,689,184	509,619	(5,023,467)	4,175,336
Total comprehensive income				
Loss for the period	—	—	(192,041)	(192,041)
Other comprehensive income for the period	—	—	—	—
Total comprehensive loss for the period	—	—	(192,041)	(192,041)
Transactions with owners recorded direct to equity				
Issue of shares	—	—	—	—
Issue of options	—	—	—	—
Shares issue expenses	—	—	—	—
Total transactions with owners	—	—	—	—
Balance as at 31 December 2013	8,689,184	509,619	(5,215,508)	3,983,295

The accompanying condensed notes form part of the financial statements

Statement of Cash Flows for the Half-year ended 31 December 2014

	Half-year ended 31 Dec 2014 \$	Half-year ended 31 Dec 2013 \$
Cash flows from operating activities		
Payments for exploration and evaluation	(5,161)	(4,027)
Payments to suppliers and employees	(195,178)	(238,206)
Interest received	64,155	64,509
Net cash used in operating activities	(136,184)	(177,724)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	—	10,000
Proceeds from sale of equity securities	—	164,273
Net cash generated by investing activities	—	174,273
Cash flows from financing activities		
Proceeds from issues of equity securities	—	—
Payment for share issue costs	—	—
Net cash provided by financing activities	—	—
Net decrease in cash and cash equivalents	(136,184)	(3,451)
Cash and cash equivalents at the beginning of the financial period	4,021,943	3,868,047
Cash and cash equivalents at the end of the financial period	3,885,759	3,864,596

The accompanying condensed notes form part of the financial statements

Condensed Notes to the Financial Statements for the Half-year ended 31 December 2014

1. Reporting Entity

Naracoota Resources Limited (the Company) is a listed public Company, incorporated in Australia.

The annual financial report of the Company as at and for the year ended 30 June 2014 is available upon request from the Company's registered office at Level 9, 105 St Georges Terrace, Perth, Western Australia 6000 or www.naracoota.com.au

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. The condensed interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2014 and any public announcements made by the Company during its interim reporting period.

The interim financial report was approved by the Board of Directors on 18 February 2015.

3. Statement of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2014. The Company has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

4. Basis of preparation

The interim report has been prepared on the going concern basis. The Directors are of the opinion that the going concern basis is appropriate as the Company expects to be in a position to meet its cash requirements for the next 12 months.

5. Estimates

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

In preparing this interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial report as at and for the year ended 30 June 2014.

6. Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the financial report as at and for the year ended 30 June 2014.

7. Segment reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Western Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

8. Issued capital

Fully paid ordinary shares

138,263,829 fully paid ordinary shares
(30 June 2014: 138,263,829)

31 December 2014	30 June 2014
\$	\$
8,689,184	8,689,184

Options

As at 31 December 2014, the Company has issued the following options:

Date options issued	Vesting date	Expiry date	Exercise price (cents)	Number of options
3 August 2011	3 August 2011	2 August 2016	30	1,000,000
20 October 2011	20 October 2011	19 October 2016	30	4,000,000
23 August 2012	23 August 2012	23 August 2017	7.5	500,000
5 October 2012	5 October 2012	30 September 2015	9	47,536,676
Total Number of Options				53,036,676

Each option issued converts into one ordinary share of Naracoota Resources Limited on exercise. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

No options were issued, exercised, expired or lapsed during the half-year.

9. Share based payments

Balance at end of the half-year

The share options outstanding at the end of the half-year had a weighted average exercise price of \$0.28 (2013: \$0.28) and the weighted average remaining contractual life of the share options as at 31 December 2014 is 1.84 years (2013: 2.84 years).

10. Dividends

No dividends were paid or proposed during the period.

11. Contingencies

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

12. Subsequent events

No matters or circumstances have arisen since 31 December 2014 that may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.