



ABN 37 148 168 825

**Interim Financial Report
31 December 2014**

Directors' Report.....	2
Auditor's Independence Declaration.....	4
Condensed Statement of Comprehensive Income.....	5
Condensed Statement of Financial Position	6
Condensed Statement of Changes in Equity.....	7
Condensed Statement of Cash Flows	8
Notes to the Condensed Financial Statements	9
Directors' Declaration	12
Independent Auditor's Review Report.....	13

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

John Terpu MAICD – Executive Chairman

(Appointed Non – Executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

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

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

Operating and Financial Review

Result of Operations

The consolidated loss from ordinary activities of the Company and its controlled entities for the half-year ended 31 December 2014 was \$258,878 (31 December 2013 – loss of \$197,423).

Review of Operations

The Company has two granted tenements (EPM 18986 and EPM 25196) which comprise the “Johnnycake Project” and are located at the northern end of the Bowen Basin in Queensland.

During the half-year the Company returned to first principles geoscience and carried out several phases of exploration at its Johnnycake Project which has resulted in a number of drill ready anomalies being identified. Exploration commenced with a high resolution airborne magnetic and radiometric survey from which a number of anomalies were highlighted. On the strength of this, SRK Consulting (Australasia) Pty Ltd (“SRK”) undertook tenement scale mapping which identified multiple layers of evidence of a hydrothermal system at the Sledgehammer and Szarbs Prospects.

Subsequent prospect scale mapping was completed at Sledgehammer and Szarbs with the aim of refining these prospects into ‘drill ready’ targets. Rock chip and PIMA sampling at each prospect has enhanced this objective, with surface rock chip results at Sledgehammer including **47g/t Au** and **38g/t Ag**, 1.52g/t Au and 6.2g/t Ag, 3.79g/t Au and **32.3g/t Ag**, while results at Szarbs included a number of strongly geochemically anomalous silver results with a highest assay of 9.35g/t Ag. The rock chip results at each prospect are supported by a number of co-incident geophysical anomalies and broad halos of hydrothermal alteration consistent with the target style of epithermal mineralisation.

A ground IP survey conducted during the half-year has identified 3 chargeable and resistive anomalies at each of the Sledgehammer and Szarbs Prospects. Five of these represent ‘drill ready’ targets.

On 1 September 2014 the Company applied for a new tenement (EPM 25755) “Black Mountain” which is located within the Kangaroo Hills mineral field situated in north Queensland, approximately 90km north-west of Townsville and 72km west of Ingham. No work was undertaken on this project during the reporting period.

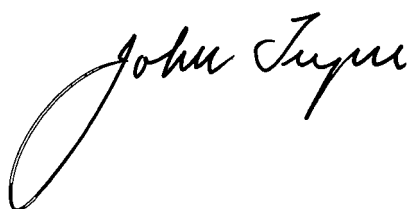
The information in this report that relates to airborne magnetic and radiometric surveys and surface rock chip assay results is extracted from the report entitled “Quarterly Activities Report” created on 31 July 2014 and is available to view on www.forteconsolidated.com.au. The Competent Person named 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.

The information in this report that relates to results of a ground IP survey is extracted from the report entitled "Quarterly Activities Report" created on 13 October 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.

Auditor's Independence Declaration

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 review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in black ink, reading "John Terpu". The signature is fluid and cursive, with a large loop at the end of the last name.

John Terpu
Chairman
20 February 2015

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Forte Consolidated 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:

- 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
20 February 2015

A handwritten signature in blue ink that reads 'D I Buckley'.

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>
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a worldwide organisation of accounting firms and business advisers.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME**For the half-year ended 31 December 2014****Forte Consolidated Limited and Controlled Entities**

	Notes	Consolidated	
		31 December 2014	31 December 2013
		\$	\$
Revenue		17,790	42,714
Expenses			
Exploration and evaluation expenditure written off	3	9,026	2,183
Administration expenses	2	279,290	247,785
Administration expenses capitalised to exploration		(12,656)	(11,090)
Depreciation expense		5,760	6,904
Depreciation capitalised to exploration		(4,752)	(5,645)
Total expenses		276,668	240,137
Loss before income tax expense		258,878	197,423
Income tax expense		-	-
Net loss for the period		258,878	197,423
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		258,878	197,423
Basic loss per share (cents per share)		(0.27)	(0.21)

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.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

Forte Consolidated Limited and Controlled Entities

	Notes	Consolidated 31 December 2014 \$	Consolidated 30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		685,401	1,367,034
Other receivables		13,934	29,127
Other assets		26,412	18,387
Total Current Assets		725,747	1,414,548
NON-CURRENT ASSETS			
Other receivables		7,500	12,500
Plant and equipment		47,122	32,734
Exploration and evaluation expenditure	3	969,477	626,184
Total Non-Current Assets		1,024,099	671,418
TOTAL ASSETS		1,749,846	2,085,966
CURRENT LIABILITIES			
Trade and other payables		87,012	166,882
Employee benefits		6,404	3,776
Total Current Liabilities		93,416	170,658
TOTAL LIABILITIES		93,416	170,658
NET ASSETS		1,656,430	1,915,308
EQUITY			
Issued capital	4	5,367,367	5,367,367
Accumulated losses		(3,710,937)	(3,452,059)
TOTAL EQUITY		1,656,430	1,915,308

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY**For the half-year ended 31 December 2014****Forte Consolidated Limited and Controlled Entities**

	Notes	Consolidated			Total
		Share Capital	Accumulated (Losses)/ Profits	Option Reserve	
		\$	\$	\$	\$
Balance at 1 July 2013		5,367,367	(2,381,076)	812,033	3,798,324
Total comprehensive income					
- Loss for the period		-	(197,423)	-	(197,423)
Balance at 31 December 2013		5,367,367	(2,578,499)	812,033	3,600,901
Balance at 1 July 2014		5,367,367	(3,452,059)	-	1,915,308
Total comprehensive income					
- Loss for the period		-	(258,878)	-	(258,878)
Balance at 31 December 2014		5,367,367	(3,710,937)	-	1,656,430

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2014

Forte Consolidated Limited and Controlled Entities

	Notes	Consolidated	
		31 December 2014	31 December 2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(236,518)	(251,963)
Interest received		14,179	53,393
Net cash used in operating activities		(222,339)	(198,570)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(20,148)	(7,081)
Payments for exploration and evaluation expenditure		(444,146)	(110,161)
Purchase of tenement		-	(40,000)
(Payment)/refund of tenement bonds		5,000	(2,500)
Net cash used in investing activities		(459,294)	(159,742)
Net (decrease) in cash held		(681,633)	(358,312)
Cash at beginning of period		1,367,034	2,247,415
Cash at end of period		685,401	1,889,103

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**Statement of compliance**

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that the financial statements be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Forte Consolidated Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

The preparation of interim financial statements requires management to make judgments, 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 this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's 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 half-year ended 31 December 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 the Company and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

Forte Consolidated Limited and Controlled Entities

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Administration services fees paid	126,556	110,897

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	Six months to 31 December 2014 \$	Year to 30 June 2014 \$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	626,184	1,517,396
Expenditure incurred	352,319	566,957
Payment for purchase of tenement	-	40,000
Tenement assignment and recoupment of expenditure	-	(9,819)
Expenditure written off	(9,026)	(1,488,350)
Total deferred exploration and evaluation expenditure	969,477	626,184

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

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
<i>Ordinary shares</i>		
95,805,002 fully paid ordinary shares (30 June 2014: 95,805,002)	5,367,367	5,367,367

	Six months to 31 December 2014 No.	Year to 30 June 2014 No.	Six months to 31 December 2014 \$	Year to 30 June 2014 \$
<i>Movements in ordinary shares on issue</i>				
At start of period	95,805,002	95,805,002	5,367,367	5,367,367
Movements	-	-	-	-
At end of period	95,805,002	95,805,002	5,367,367	5,367,367

NOTE 5: SEGMENT INFORMATION

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

NOTE 6: OPTIONS

	Six months to 31 December 2014 No.	Year to 30 June 2014 No.
<i>Movements in options over ordinary shares on issue</i>		
At start of period	-	85,203,334
Expired	-	(85,203,334)
At end of period	-	-

NOTE 7: CONTINGENT LIABILITIES

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

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2015 the Company announced its intention to raise up to \$1,916,100 (before costs) via a non-renounceable pro-rata entitlement offer of one fully paid ordinary share in the capital of the Company for every one existing Share held at the record date of 13 February 2015. The Offer opened on 18 February 2015 and closes on 27 February 2015. All directors intend to take up their full entitlement. The issue price for Shares offered under the Offer will be A\$0.02 per new Share.

The proceeds of the Offer will be used to:

- Further the development of the Company's Johnnycake Project; and
- General working capital (including costs of the Offer)

If there is a shortfall in subscriptions under the Offer, the directors of the Company reserve the right to place the shortfall shares at their discretion within two months of the closing date of the Offer.

Other than the above, 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.

NOTE 9: GOING CONCERN

The Group incurred an operating loss after income tax of \$258,878 for the half-year ended 31 December 2014, whilst cash balances as at balance date were \$685,401. In addition the net cash outflows for the period from operating and investing activities were \$681,633.

A non-renounceable rights issue of \$1,916,100 before costs was announced on 5 February 2015. The offer closes 27 February 2015. The offer document discloses that all directors have committed to fully subscribe to their entitlement to raise \$752,974. The directors are confident that the Company will be successful in raising the remaining funds either through shareholders subscribing to their entitlement or placement of the shortfall should this occur.

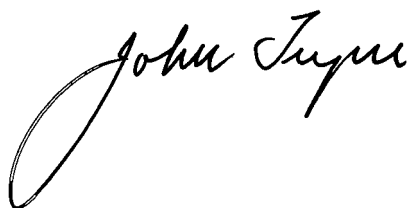
The Group also has the ability to scale back its activities and budgeted expenditure until adequate funding is obtained.

The Directors believe the company has sufficient funds to continue to operate as a going concern for the foreseeable future.

In the opinion of the directors of Forte Consolidated Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'John Terpu', with a large, stylized loop at the beginning.

John Terpu
Chairman
20 February 2015



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Forte Consolidated Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Forte Consolidated Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 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 half-year financial report

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

Auditor's responsibility

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

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>
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.



Accountants | Business and Financial Advisers

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 Forte Consolidated 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 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 the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Perth, Western Australia
20 February 2015