

BLACK OAK MINERALS LIMITED
(formerly Southern Cross Goldfields Limited)
ABN 71 124 374 321

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

BLACK OAK MINERALS LIMITED

ABN 71 124 374 321

HALF-YEAR FINANCIAL REPORT – 31 DECEMBER 2014

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BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

CORPORATE DIRECTORY

DIRECTORS

Jon Parker	(Chairman)
David Sproule	(Managing Director)
Ken Osland	(Non-executive Director)

COMPANY SECRETARY

Leni Stanley
David Kinsman

REGISTERED OFFICE

Level 1, 160 Wharf Street
BRISBANE QLD 4000

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SHARE REGISTRY

Computershare Investor Services Pty Ltd
117 Victoria Street,
WEST END, QLD 4101

AUDITORS

Deloitte Touche Tohmatsu
Level 25,
Riverside Centre,
123 Eagle Street,
BRISBANE, QLD 4000

STOCK EXCHANGE LISTING

The Company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX").

Home Exchange: Perth, Western Australia

ASX Code: BOK

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of Black Oak Minerals Limited and its subsidiaries (the Group) for the half-year ended 31 December 2014.

DIRECTORS

The following persons were directors of Black Oak Minerals Limited during the whole of the half-year and up to the date of this report:

Jon Parker
David Sproule

Frank Terranova was a director from the beginning of the reporting period until his resignation on 8 September 2014.

Ken Osland was appointed as a director on 8 September 2014 and continues in office at the date of this report.

CHANGE OF NAME

At the Annual General Meeting held on 28 November 2014 the company's shareholders passed a resolution to change the company's name from Southern Cross Goldfields Limited to Black Oak Minerals Limited.

RESULT

The loss after income tax of the Group for the half-year was \$3,619,000 (2013: \$301,000).

Significant gains and expenses

The results were affected by the following significant gains and expenses:

	2014 \$'000	2013 \$'000
Gains:		
Gain on acquisition of subsidiary, net of applicable tax	-	3,628
Reversal of Turner River deferred consideration	-	1,440
Profit on sale of tenements	190	-
Expenses:		
Loss on disposal of property, plant and equipment, net of applicable tax	-	75
Impairment of the Turner River Exploration and Evaluation assets	-	833

REVIEW OF OPERATIONS

The Company's activities during the first half of the 2015 financial year comprised:

- A recapitalisation of the Company underpinned by two finance facilities totaling \$60 million secured from the TrailStone Group in September 2014. TrailStone also contributed \$1 million into an associated \$4.3 million capital raising, providing the Company with a key cornerstone relationship. The recapitalisation included repayment of the Company's existing debt facility of \$5 million with RMB Australia Ltd, and the drawdown of the \$25 million Gold Prepayment Facility has provided both development and working capital to facilitate a new phase of the Company's growth plans. The final element of the recapitalisation was the completion of a 1:30 share consolidation in December 2014.

DIRECTORS' REPORT

- Acquisition of the Manuka Silver Project in central NSW in September 2014, which adds a substantial silver project to the Company's gold portfolio and enables near-term generation of cashflow through commencement of silver production in early 2015. The existing Manuka plant and infrastructure also provides an innovative and creative path for processing Mt Boppy gold ore at minimal capital cost, avoiding the need for refurbishment of the processing plant at Mt Boppy, accelerating gold production and providing a strategic asset in the region.
- Repositioning the Company for a new phase of life, advancing rapidly to the ranks of producer with a fully funded project pipeline. Key aspects of the transition made during the period:
 - Appointment of David Sproule as Managing Director in November 2014 to focus on bringing the Company's projects into production over the next 12 month commencing with the Manuka Silver and Mt Boppy Mines. David's vast experience in project development and mining operations, including recent roles as Chairman and Managing Director of the Polymetals group of companies, provides a sharp focus for the current development phase of the Company.
 - Renaming of the Company to Black Oak Minerals Limited (ASX:**BOK**) reflecting the multi-commodity and national nature of the Company's assets.

PROJECT DEVELOPMENT

Manuka Silver Project and Mt Boppy Gold Project

On 5 September 2014, the Company announced that it had acquired the Manuka Silver Project (formerly Wonawinta Silver Project) located near Cobar in central in NSW.

In late October 2014, work to establish profitable operations began. Prior to commencement of production, work is underway to de-bottleneck the existing processes by increasing the grinding capacity through the addition of a 1500kW ball mill and by converting the plant to Carbon-In-Leach (CIL). This is planned to deliver consistent reliable throughput and higher silver recovery by reducing solution loss.

By December 31 2014, all major engineering had been completed, all major components procured and the new mill was in the process of being installed. Conversion of the plant from Carbon-In-Pulp (CIP) to Carbon-In-Leach (CIL) was well advanced.

Mining on a dry-hire basis commenced in early January 2015 and is forecast to continue for six months based on current Reserves. Silver ore processing commenced in February and will continue to ramp up to design output over the March Quarter.

Mining at Mt Boppy is due to start during March 2015 with processing of Mt Boppy gold ore through Manuka plant scheduled for the December Quarter 2015.

Development Consent changes are being sought to enable transport of Mt Boppy ore to Manuka.

Pre-development work to support the Mt Boppy mining campaign is underway encompassing pit dewatering, camp upgrade and site infrastructure establishment.

Marda Gold Project

Approval of the Mining Proposal for development of the Marda Gold Project was received from the WA Department of Mining & Petroleum (DMP) during the September Quarter. The Works Approval fee has been paid and approval is expected to be granted in the March Quarter allowing the Company to proceed with the development. Optimum timing for development, following commencement of operations at Manuka and Mt Boppy, is being determined.

No work on upgrading/extending Marda resources was undertaken during the Quarter. Further drilling is required at Red Legs and Fiddleback to upgrade the Resource classification. Potential exists to extend these resources.

DIRECTORS' REPORT

EXPLORATION

Manuka (100%)

In addition to the mining lease for the Manuka Silver Project (ML 1659), the Company acquired seven Exploration Licences over 845km² within trucking distance from the mine. These, and Mt Boppy, are located within the highly prospective Cobar Superbasin which hosts several historical and current mines including Elura, CSA and McKinnons mines, along with recent discoveries such as the Hera-Nymagee Project. Exploration potential exists for additional silver resources along with untested gold and base metals potential at various underexplored prospects.

Exploration activity to date focused on assessing a large amount of previous exploration data spanning a period of over thirty years. Initially this involved examining the current drilling database for the potential to add silver resources close to the existing mine. The Company is undertaking a regional structural interpretation involving re-contouring of existing geochemical data. Following this review, initial RC drilling is expected close to the Manuka mine with regional prospects prioritised for further exploration work.

Mt Boppy/Canbelego (100%)

Exploration work on the Mt Boppy and Canbelego tenements was limited to a detailed review of regional prospectivity. Outcomes and future plans are expected in the June Quarter 2015.

Marda (100%)

Following auger sampling, six prospects along the Evanston Shear have been earmarked for RAB drill testing. Auger sampling then moved to the Windarling and Golden Orb districts located within 15km of the proposed Marda mill site. Sampling and reconnaissance mapping was completed at Windarling and cohesive +40ppb Au anomalies have been confirmed at two locations on the southern limb of the Windarling fold closure (Refer December Quarterly Report). Further auger sampling is being planned.

Geological reconnaissance and auger sampling has commenced in the Golden Orb district.

Sandstone (100%)

Exploration work at Sandstone remained at low levels while the Company focused on tenement divestment and corporate activities. Divestment of the Sandstone tenement portfolio is still a key objective of the Company to enable direction of resources to key growth assets.

Copper Bore Base Metal Project (100%)

No new work was conducted at Copper Bore. Prioritisation is under review.

Western Areas Ltd (ASX:WSA) - Nickel Joint Venture (BOK 30% nickel interest, 100% non-nickel interest)

WSA moved its exploration activity to the Perrinvale area. Permitting and access agreements were progressed with a number of reconnaissance trips completed. Geochemical auger sampling, field mapping and air-core drilling are planned for early 2015.

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

DIRECTORS' REPORT


AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 19.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'David Sproule', written in a cursive style.

David Sproule
Managing Director

Brisbane, Queensland.
11 March 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

		Half-year ended	
	Notes	2014 \$'000	2013 \$'000
Revenue from continuing operations		89	126
Other income	3	190	5,068
Exploration expenses		(1,408)	(1,608)
Mining expenses		(438)	-
Administration and corporate expenses		(2,027)	(2,051)
Pre-development expenses		-	(629)
Share based payments		-	(322)
Impairment of tenements		-	(833)
Depreciation expense		(51)	(52)
		<hr/>	<hr/>
Loss before income tax		(3,645)	(301)
Income tax expense		26	-
		<hr/>	<hr/>
Loss for the half-year		(3,619)	(301)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets		-	33
		<hr/>	<hr/>
Other comprehensive income for the half-year, net of tax		-	33
		<hr/>	<hr/>
Total comprehensive income for the half-year		(3,619)	(268)
		<hr/>	<hr/>
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share		(9.72)	(1.19)
Diluted earnings per share		(9.72)	(1.19)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	31 December 2014 \$'000	30 June 2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		10,887	2,718
Receivables		693	395
		<hr/>	<hr/>
		11,580	3,113
Assets classified as held for sale		439	469
		<hr/>	<hr/>
Total current assets		12,019	3,582
		<hr/>	<hr/>
Non-current assets			
Property, plant and equipment		4,468	4,244
Other financial assets		6,384	523
Tenement acquisition costs		7,124	6,813
Mining development costs	5	10,474	-
		<hr/>	<hr/>
Total non-current assets		28,450	11,580
		<hr/>	<hr/>
Total assets		40,469	15,162
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables		1,892	783
Provisions		107	112
Borrowings		-	5,000
		<hr/>	<hr/>
Total current liabilities		1,999	5,895
		<hr/>	<hr/>
Non-current liabilities			
Provisions		7,259	1,434
Borrowings	6	22,988	-
Deferred tax liability		761	787
		<hr/>	<hr/>
Total non-current liabilities		31,008	2,221
		<hr/>	<hr/>
Total liabilities		33,007	8,116
		<hr/>	<hr/>
Net assets		7,462	7,046
		<hr/>	<hr/>
EQUITY			
Issued capital	7	43,987	39,952
Reserves		4,608	4,608
Accumulated losses		(41,133)	(37,514)
		<hr/>	<hr/>
Total equity		7,462	7,046
		<hr/>	<hr/>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

BLACK OAK MINERALS LIMITED
ABN 71 124 374 321

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

		Half-year	
	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Business activity statement refunds		1,005	235
Payments to suppliers and employees (inclusive of goods and services tax)		(5,102)	(5,236)
Income taxes (paid) refund received		-	708
Interest received		70	105
Interest and other costs of finance paid		(2,676)	(352)
Net cash inflow (outflow) from operating activities		(6,703)	(4,540)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	1,396
Cash acquired on acquisition of subsidiary		-	4,208
Payments for property, plant and equipment		(274)	-
Payments for prospects		-	(500)
Payments for development assets		(2,902)	
Proceeds from sale of tenements		140	-
Refunds (payments) for security deposits		(5,862)	2,550
Net cash inflow (outflow) from investing activities		(8,898)	7,654
Cash flows from financing activities			
Proceeds from issues of shares		4,056	-
Proceeds from borrowings		25,000	2,174
Repayment of borrowings		(5,000)	(98)
Payments of share issue expenses		(286)	-
Net cash inflow (outflow) from financing activities		23,770	2,076
Net increase/(decrease) in cash and cash equivalents		8,169	5,190
Cash and cash equivalents at the beginning of the half-year		2,718	1,836
Cash and cash equivalents at the end of the half-year		10,887	7,026

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

BLACK OAK MINERALS LIMITED
ABN 71 124 374 3212

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued capital \$'000	Available For Sale Reserve \$'000	Share based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2013	30,381	-	3,801	(32,101)	2,081
Total comprehensive income for the half-year	-	33	-	(301)	(268)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	400	-	-	-	400
Consideration on acquisition of subsidiary	9,171	-	-	-	9,171
Employee share options	-	-	322	-	322
	9,571	33	322	(301)	9,893
Balance at 31 December 2013	39,952	33	4,123	(32,402)	11,706
Balance at 1 July 2014	39,952	-	4,608	(37,514)	7,046
Total comprehensive income for the half-year	-	-	-	(3,619)	(3,619)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 7)	4,035	-	-	-	4,035
	4,035	-	-	-	4,035
Balance at 31 December 2014	43,987	-	4,608	(41,133)	7,462

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Note 1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The historical cost basis has been used, except for available-for-sale financial assets which have been measured at fair value.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Black Oak Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

Amendments to AASBs and the new interpretation that are mandatorily effective for the current reporting period

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 1031 'Materiality' (2013)
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - Part C: 'Materiality'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cashgenerating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'. The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Note 1 Basis of preparation of half-year report (continued)

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards' Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure shortterm receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

Note 1 Basis of preparation of half-year report (continued)

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- (a) the property meets the definition of investment property in terms of AASB 140; and
- (b) the transaction meets the definition of a business combination under AASB 3.

Part C – ‘Materiality’

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

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

BLACK OAK MINERALS LIMITED
ABN 34 108 102 432

Note 2 Segment information

The group operates solely within one operating segment being precious metal mining and exploration Australia.

Note 3 Profit for the half-year

	2014 \$'000	Half-year 2013 \$'000
Profit for the half-year includes the following items:		
Gains		
Reversal of Turner River deferred consideration	-	1,440
Gain on acquisition of subsidiary	-	3,628
Profit on sale of tenements	190	-
	<hr/> 190	<hr/> 5,068
Expenses		
Loss on disposal of property, plant and equipment	-	75

Note 4 Asset acquisition

Summary of acquisition

On 5 September 2014 the company entered into a contract to acquire the Manuka Silver Project through a purchase of assets from the liquidators of Cobar Consolidated Resources Limited.

Details of the purchase consideration and the net assets acquired are as follows:

	\$'000
Purchase consideration:	
Cash	375
Environmental bonds	<hr/> 5,825
Total purchase consideration	<hr/> <hr/> 6,200

The group has taken up the cost of the underlying assets at acquisition. The assets and liabilities recognized as a result of the acquisition are as follows:

	\$'000
Development assets	6,090
Exploration assets	110
Provision for rehabilitation	<hr/> (5,825)
Net identifiable assets acquired	<hr/> <hr/> 375

Acquisition-related costs

Acquisition-related costs of \$167,000 have been capitalised to the cost of the asset.

BLACK OAK MINERALS LIMITED
ABN 34 108 102 432

Note 5 Mining development costs

	2014 \$'000	Half-year 2013 \$'000
Mining costs at recoverable amount	10,474	-

The capitalised mining costs carried forward above have been determined as follows:

Opening balance	-	-
Acquisition of development assets (see note 4)	6,257	-
Costs incurred during the year	3,506	-
Borrowing costs capitalised	711	-
Closing balance as shown above	10,474	-

Note 6 Current liabilities – Borrowings

	31 December 2014 \$'000	Consolidated 30 June 2014 \$'000
Borrowings	22,988	5,000

On 8 July 2014 the Company finalised agreements with the TrailStone Group to provide two facilities to support the development of the Company's key projects. These comprised a \$25M Forward Gold Purchase Agreement (Gold Prepayment Facility) supplemented by a \$35M Credit Facility. The drawdown of the Gold Prepayment Facility has occurred, providing access to development funding and additional working capital, and enabling full repayment of the \$5M loan facility with RMB which was finalised on 23 September 2014. The remaining \$35M Credit Facility is yet to be drawn down.

The Gold Prepayment Facility will be repaid by Black Oak Minerals Limited delivering 33,000 ounces of gold at an agreed rate. The agreed rate is \$1,374 per ounce with \$1,000 being used to pay down the facility and \$374 being settled in cash. Based on current forecast production the facility is expected to be fully repaid by 30 June 2017. These facilities are secured across all assets in the Group.

The borrowings are presented in the balance sheet as follows:	\$'000
Face value of borrowings	25,000
Borrowing costs incurred	(2,280)
	22,720
Accretion of borrowing costs	268
Non-current liability	22,988

BLACK OAK MINERALS LIMITED
ABN 34 108 102 432

Note 7 Equity securities issued

	2014 Shares	2013 Shares	2014 \$'000	2013 \$'000
Opening balance at 1 July	887,450,806	408,912,825	39,952	30,381
Issued during the half year (see (a) below)	432,100,000	20,000,000	4,321	400
Issued as consideration for purchase of subsidiary				
1:30 Share Consolidation	-	458,537,981	-	9,171
Issued on the exercise of options	(1,275,564,670)	-	-	-
Share issue expenses	9,168	-	4	-
	-	-	(290)	-
Closing balance at 31 December	43,995,304	887,450,806	43,987	39,952

(a) During the half year the company:

- issued 100,000,000 ordinary shares to Trailstone UK Limited at an issue price of 1 cent per share raising a total of \$1 million. The placement was undertaken in accordance with the terms and conditions which were approved by Shareholders at the Extraordinary General Meeting held on 4 September 2014.
- issued 332,100,000 ordinary shares under a prospectus lodged with the ASX on 19 August 2014. The shares were issued at 1 cent each.
- undertook a 1:30 share consolidation
- issued 9,168 shares (post-consolidation) on the exercise of options

Note 8 Events occurring after the reporting period

The Directors consider that there have not been any other matters that have arisen since the end of the half year that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of the affairs of the Company in future financial years.

Note 9 Rounding of amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial statements in accordance with that Class Order.

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 accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

A handwritten signature in dark ink, appearing to read 'David Sproule', with a large, stylized initial 'D'.

David Sproule
Managing Director

Brisbane, Queensland
11 March 2015

Independent Auditor's Review Report to the Members of Black Oak Minerals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Black Oak Minerals Limited, which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 16.

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 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 Black Oak Minerals 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.

Auditor's Independence Declaration

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*, which has been given to the directors of Black Oak Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Black Oak Minerals 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*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



Rowan Smith
Partner
Chartered Accountants

11 March 2015

The Board of Directors
Black Oak Minerals Limited
Level 1, 160 Wharf Street
BRISBANE QLD 4000
Australia

11 March 2015

Dear Board Members

Black Oak Minerals 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 Black Oak Minerals Limited.

As lead audit partner for the review of the financial statements of Black Oak Minerals 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

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



Rowan Smith

Partner

Chartered Accountants