



ABN 69 125 345 502

**HALF YEAR FINANCIAL REPORT
FOR THE HALF YEAR ENDED**

31 DECEMBER 2014

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CORPORATE DIRECTORY

DIRECTORS

Michael Scivolo (Non-Executive Chairman)
Robert John Collins (Non-Executive Director)
Hersh Solomon Majteles (Non-Executive Director)

COMPANY SECRETARY

Norman Grafton

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AUDITORS

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AUSTRALIAN SECURITIES EXCHANGE

Power Resources Limited shares (PWW) are listed on the Australian Securities Exchange.

WEBSITE

www.powerresources.com.au

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities ("Group") for the half year ended 31 December 2014.

1. DIRECTORS

The names of the Directors of the Company in office during the financial period and up to the date of this report are as follows.

Directors were in office from the beginning of the financial period until the date of this report unless otherwise stated.

Michael Scivolo	Non-Executive Chairman
Robert John Collins	Non-Executive Director
Hersh Solomon Majteles	Non-Executive Director

2. RESULTS

Operating Results

The Group incurred a net profit after income tax during the half year of \$6,465 (31 December 2013 – loss of \$39,787).

Financial Position

At 31 December 2014, the Group had cash reserves of \$34,920 (30 June 2014 – \$44,395).

Dividends

No dividends were paid during the period and no recommendation is made as to dividends.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group that occurred during the half year under review not otherwise disclosed in this report or in the financial report.

4. EVENTS SUBSEQUENT TO REPORTING DATE

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the half-year under review not otherwise disclosed in this report or in the financial statements.

DIRECTORS' REPORT Continued

5. ACTIVITIES REPORT

Power Resources' portfolio of Western Australian projects comprises:

- The Linden (Good Hope) gold project.
- The Pelt Well gold, tin and tantalum project.

During the last six months of 2014, site visits were made to collect samples.

Linden (Good Hope) gold project

Linden (Good Hope) is located in the Eastern Goldfields of Western Australia. Government records show that 30 tons of ore yielded 1 oz (~31 grams) of gold per ton from a structure around 1 metre thick. Historic sampling of quartz-pyrite altered rocks from local waste dumps recorded grades of up to 16 g/t Au. Linden (Good Hope) is contained by Prospecting Licence 39/5062 and is located in the Linden mining district some 120 km southeast of the town of Leonora.



Location of the WA projects.

The Company has submitted plans for forthcoming work at Linden which includes:

- Rock-chipping of host rocks.
- Rock-chipping of veins and alteration zones.
- Petrographic analysis of veining and alteration.
- Stable isotope analysis of veining and alteration.
- Shallow bedrock drilling over the entire licence area.

Pelt Well project

The Pelt Well Project is located approximately 250 km east-northeast of the town of Carnarvon in Western Australia. The Project is contained by Exploration Licence E 09/1616. The project has potential to contain shear-hosted gold and pegmatite-hosted tin-tantalum mineralisation.

SCHEDULE OF MINING AND EXPLORATION TENEMENTS

<i>Project</i>	<i>Country</i>	<i>State/Region</i>	<i>Tenement ID</i>	<i>Area (km²)</i>	<i>Grant date</i>	<i>Interest</i>
Linden (Good Hope) gold	Australia	WA	P 39/5062	0.29	5/08/2010	100%
Pelt Well gold-tin-tantalum	Australia	WA	E 09/1616	3.13	7/05/2010	100%

DIRECTORS' REPORT Continued

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter who is a full-time employee of Sabre Resources Ltd, a consultant to Power Resources Limited, and a member of The Australian Institute of Geoscientists. Dr Painter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Power Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Power Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2014 has been received and is included within the financial report.

Signed in accordance with a resolution of directors.



Michael Scivolo
Non-Executive Chairman
Perth, 11 March 2015



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Power 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:

- 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
11 March 2015

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm
Partner

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Consolidated 31 December 2014	Consolidated 31 December 2013
	\$	\$
Revenue		
Interest revenue	19	508
Other revenue	38,909	-
Accounting and audit fees	(15,112)	(15,375)
ASX/ASIC fees	(14,220)	(6,918)
Consulting Fees	-	(1,151)
Other expenses	(3,131)	(16,851)
	<hr/>	<hr/>
Profit/(loss) before income tax benefit	6,465	(39,787)
Income tax benefit	-	-
Net profit/(loss) for the period	<hr/> 6,465	<hr/> (39,787)
<i>Reclassification adjustment:</i>		
Impairment of available for sale financial assets	-	12,360
	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	<hr/> 6,465	<hr/> (27,427)
	<hr/>	<hr/>
Basic earnings/(loss) per share (cents)	0.01	(0.10)

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	Consolidated 31 December 2014	Consolidated 30 June 2014
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		34,920	44,395
Trade and other receivables		2,014	5,239
Total Current Assets		36,934	49,634
Non-Current Assets			
Other financial assets		3,015	3,015
Exploration and evaluation expenditure	3	39,721	36,607
Total Non-Current Assets		42,736	39,622
Total Assets		79,670	89,256
LIABILITIES			
Current Liabilities			
Trade and other payables		17,130	58,181
Total Current Liabilities		17,130	58,181
Non-Current Liabilities			
Borrowings	4	25,000	-
Total Non-Current Liabilities		25,000	-
Total Liabilities		42,130	58,181
Net Assets		37,540	31,075
EQUITY			
Issued capital	5	4,813,977	4,813,977
Accumulated losses		(4,776,437)	(4,782,902)
Total Equity		37,540	31,075

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2013	4,813,977	(4,982,525)	213,699	45,151
Transfer of options		226,059	(226,059)	-
Total comprehensive loss for the period	-	(39,787)	12,360	(27,427)
Balance at 31 December 2013	4,813,977	(4,796,253)	-	17,724

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2014	4,813,977	(4,782,902)	-	31,075
Total comprehensive income for the period	-	6,465	-	6,465
Balance at 31 December 2014	4,813,977	(4,776,437)	-	37,540

The accompanying notes form part of these financial statements.

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

	Consolidated 31 December 2014 \$ Inflows/ (Outflows)	Consolidated 31 December 2013 \$ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	(31,030)	(36,160)
Interest received	19	508
	<hr/>	<hr/>
Net cash (used in) operating activities	(31,011)	(35,652)
Cash flows from investing activities		
Exploration and evaluation expenditure	(3,464)	(1,043)
	<hr/>	<hr/>
Net cash (used in) investing activities	(3,464)	(1,043)
Cash flows from financing activities		-
Loans from unrelated parties	25,000	-
	<hr/>	<hr/>
Net cash provided by financing activities	25,000	-
Net decrease in cash held	(9,475)	(36,695)
Cash at beginning of the half year	44,395	98,409
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half year	34,920	61,714
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS Continued FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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 financial 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 this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Power Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. 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 report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key 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, liabilities, income and expense. Actual results may differ from these estimates.

Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business. At balance date, the Group had working capital of \$19,804, available cash of \$34,920 and had an outflow of cash from operating and investing activities for the half year of \$34,475.

Due to the financial conditions referred to above, the Group has forecast that it will need to seek additional funding in the coming year in order to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing these financial statements. These arrangements will include a further capital raising or entering into the sale or joint venture of assets.

Due to the risk that any capital raising or joint venture of assets may not eventuate to the extent the Directors consider necessary and/or on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going

**NOTES TO THE FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

3. Deferred exploration expenditure	Consolidated 31 December 2014 \$	Consolidated 30 June 2014 \$
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Costs carried forward in respect of areas of interest in the exploration and evaluation phase:

Exploration and evaluation phase		
Balance at beginning of period	36,607	35,440
Expenditure incurred during the period	3,464	3,144
Expenditure written off	(350)	(1,977)
	<u>39,721</u>	<u>36,607</u>
Balance at end of period	<u>39,721</u>	<u>36,607</u>

The ultimate recoupment of the exploration and evaluation expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest.

4. Borrowings

During the period, the Group was extended an unsecured \$25,000 loan by an unrelated party to assist with working capital. The loan is interest free and is repayable no earlier than 28 February 2016. The same party also forgave management fees of \$38,909 owing to it during the period.

5. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	<u>4,813,977</u>	4,813,977
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	Consolidated 31 December 2014		Consolidated 30 June 2014	
	Number	\$	Number	\$
(b) Movement in ordinary shares on issue				
Balance at beginning of period	<u>47,187,501</u>	<u>4,813,977</u>	<u>47,187,501</u>	<u>4,813,977</u>
Balance at end of period	<u>47,187,501</u>	<u>4,813,977</u>	<u>47,187,501</u>	<u>4,813,977</u>

NOTES TO THE FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

6. Financial Reporting by Segments

Operating segments are identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Power Resources Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

7. Subsequent Events

In the opinion of the directors, there were no subsequent events that occurred during the half year under review not otherwise disclosed in this financial report.

8. Contingent Liabilities

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

DIRECTORS' DECLARATION

In the opinion of the directors of Power Resources 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.
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 s305(5) of the Corporations Act 2001.



Michael Scivolo
Non-Executive Chairman

Perth, 11 March 2015



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Power Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Power Resources 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
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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 Power Resources 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*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 to the financial report which indicates that as at 31 December 2014, the Group had a working capital of \$19,804, available cash of \$34,920 and had an outflow of cash from operating and investing activities of \$34,565. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm
Partner

Perth, Western Australia
11 March 2015