



**ABN 15 074 728 019**

**AND CONTROLLED ENTITIES**

**HALF-YEAR FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2014**

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### **Directors**

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

### **Company Secretary**

Norman Grafton

### **Registered Office**

Level 1  
8 Parliament Place  
West Perth WA 6005

### **Auditors**

HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth WA 6000

### **Home Securities Exchange**

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2 The Esplanade  
Perth WA 6000

### **Share Registry**

Advanced Share Registry Limited  
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Nedlands WA 6009  
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### **Website**

[blazelimited.com.au](http://blazelimited.com.au)

ASX Code: BLZ

## DIRECTORS REPORT

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Your Directors submit the financial report of Blaze International Limited "Blaze" (or "the Company") which includes the consolidated financial statements of the Company and its controlled entities (or "the Group") 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:

### 1. Directors

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

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

### 2. Results

The Consolidated Entity incurred a net loss for the period of \$347,140 (31 December 2013: loss of \$401,294).

### 3. Review of Operations

## BARKLY COPPER-GOLD PROJECT

Blaze International Limited (Blaze) is in a Farm-In Joint Venture Agreement with Meteoric Resources NL over the highly prospective **Barkly Copper-Gold Project**. Blaze has the right to earn up to an 80% interest in the project which is located around 30 km east of the town of Tennant Creek in the Northern Territory (Figure 1). The Barkly Project is located on granted exploration licence EL28620.

During the half year, the Phase II drilling program was completed at the Bluebird Prospect. The program aimed to extend the mineralisation intersected by Phase I. Gold, copper and bismuth grades continued to exceed expectations. Ten holes were completed in the Phase II drilling program.

All holes intersected significant Cu-Au-Bi mineralisation. The standout holes for Phase II were **BBDD0004: 16m at 3.02% Cu, 0.65g/t Au and 0.10% Bi from 139m and BBRC0012: 31m at 2.48% Cu, 0.21g/t Au and 0.03% Bi from 116m.**



Figure 1 – Location of the Barkly Cu-Au project

Of particular note was the high grade copper sulphide intercept in BBDD0004. This thick zone of transitional and fresh copper sulphide mineralisation demonstrates the potential for a significant primary copper sulphide mineral resource at Bluebird.

Based on Blaze's drilling results, the mineralisation is now defined to a depth of at least 150m vertical from surface and over a strike length of at least 120m. The mineralisation starts at less than 50m below surface, and is open along strike and down dip.

The highest grade mineralisation is located on the footwall contact of an ironstone body. BBRC-2, which was drilled previously by Meteoric Resources, did not penetrate this footwall contact position (Figure 4). This is the reason for the narrower and lower grade intercept in BBRC-2 compared to the recent drilling by Blaze. The very high grade gold intersected by BBDD-2 and the high grade copper in BBDD0004 were particularly encouraging developments for the Bluebird Prospect. Mineralisation strength and thickness appear to be increasing substantially with depth.

## PHASE II DRILLING SUMMARY

Diamond drilling returned a high grade transitional copper sulphide intersection in BBDD0004, as well as several other very encouraging intersections. The high grade, the broad thickness, and the sulphide association demonstrate the potential for a significant primary sulphide mineral resource at Bluebird. The best intersections of phase II were: \*

- **BBDD0004: 16m at 3.02% Cu, 0.65g/t Au and 0.10% Bi from 139m  
Including 4m at 6.49% Cu, 0.74g/t Au and 0.18% Bi from 141m**
- **BBRC0012: 31m at 2.48% Cu, 0.21g/t Au and 0.03% Bi from 116m  
Including 12m at 4.41% Cu, 0.23g/t Au and 0.02% Bi from 125m  
And 1m at 11.50% Cu, 1.44g/t Au and 0.04% Bi from 142m**
- **BBRC0010: 11m at 0.98g/t Au, 0.68% Cu and 0.03% Bi from 77m  
Including 2m at 3.54g/t Au, 0.25% Cu and 0.06% Bi from 77m  
Including 1m at 3.45% Cu, 0.95g/t Au and 0.12% Bi from 86m**
- **BBRC0013: 14m at 1.31% Cu, 0.54g/t Au and 0.03% Bi from 162m  
Including 1m at 3.91% Cu, 0.78g/t Au and 0.02% Bi from 166m**
- **BBDD0005: 4m at 1.04% Cu, 0.55g/t Au and 0.04% Bi from 85m  
Including 1m at 3.45% Cu, 0.95g/t Au and 0.12% Bi from 86m**

These complemented the very encouraging results from phase I drilling, which included:\*

- **BBDD-2: 20m at 8.17g/t Au, 0.61% Cu and 0.22% Bi from 157m  
Including 4m at 37.9g/t Au, 0.66% Cu and 0.80% Bi from 169m  
Including 1m at 62.3g/t Au, 0.94% Cu and 1.11% Bi from 171m**
- **BBRC-5: 25m at 1.90% Cu, 0.28 g/t Au and 0.03% Bi from 62m  
Including 4m at 8.99% Cu, 1.06 g/t Au and 0.01% Bi from 74m  
Including 2m at 16.57% Cu, 0.15g/t Au and 0.01% Bi from 75m  
including 1m at 24.20% Cu, 0.21g/t Au and 0.02% Bi from 75m**

The positive results from Phase II diamond drilling were achieved even though broken ground conditions resulted in significant core loss through the interpreted high grade lower contact gold position. The broken ground also forced the abandonment of two holes. Therefore several key areas of the mineralisation are yet to be fully tested, which greatly enhances the exploration upside potential of Bluebird.

The core loss and hole abandonments were the result of a zone of broken ground running east west through the prospect at approximately 125m below surface. The broken ground is interpreted to be associated with late stage faulting, which strikes east west and dips shallowly to the north. This late stage faulting is also interpreted to enhance the supergene enrichment at Bluebird, resulting in the very high grade gold mineralisation intersected by BBDD-2.

\*Previously announced "high grade copper and gold intersections continue at Bluebird" 28 October 2014. Note: all quoted widths are downhole widths. Although drilling direction is as perpendicular as possible to the mineralised structure, estimated true widths will generally be slightly narrower than the quoted downhole widths.

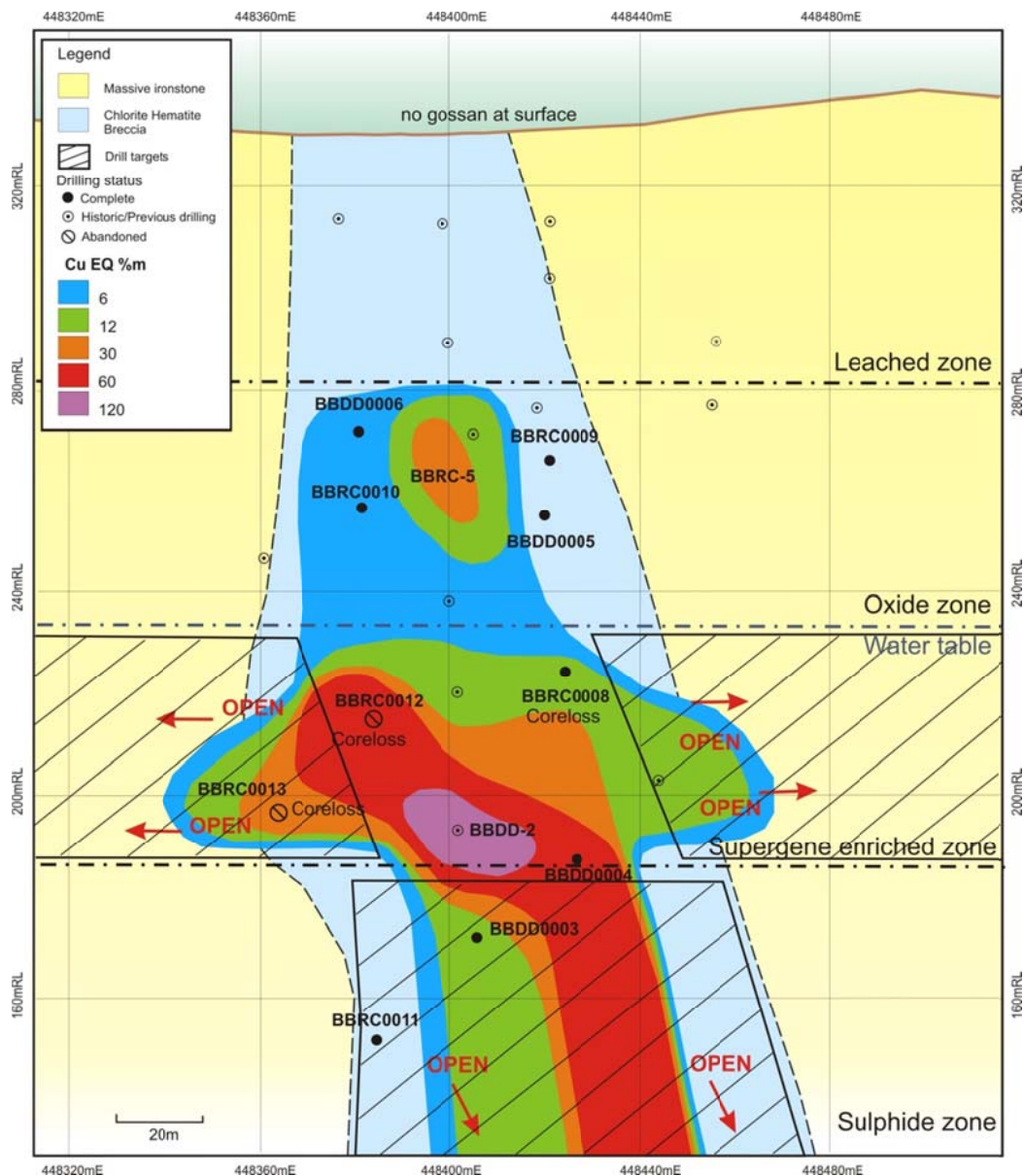


Figure 2 – Long section of Bluebird, looking north showing copper equivalent (CuEQ%) x m\*\* contours. Note the priority drill targets marked by dark grey hatching, and the two abandoned holes BBRC0012 and BBRC0013.

\*\*CuEQ grade is calculated by combining the metals of interest based on their prices. In this case  $\text{Cu}\% + (\text{Au ppm} \times 0.66) + (\text{Bi}\% \times 3.84) = \text{CuEQ}\%$ . It is used as a visualisation tool only and is required at Bluebird due to the poly metallic and strongly zoned nature of the mineralisation. In this situation a CuEQ% provides a better picture of the overall geometry of the mineralisation than by using copper or gold grade alone. Metallurgical recoveries were not taken into account when calculating CuEQ%. CuEQ% x m is used for the contouring to give a spatial representation of total metal accumulation.

The interpreted high grade gold lower contact position was insufficiently tested by Phase II drilling (see figures 3 and 5). A new interpretation of supergene enrichment was also insufficiently tested. This leaves three key areas of the mineralised system as primary targets for the next phase of drilling at Bluebird. These key target areas are indicated by dark grey hatching in Figure 2 above.

## FUTURE DRILLING PROGRAMS AT BLUEBIRD

The difficulties encountered by diamond drilling in Phase II will be relatively simple to overcome in future programs. Difficulties were encountered in holes that were originally intended to be completed by RC

drilling. The RC drilling was abandoned in broken ground due to excess water and poor sample return. This meant that the diamond rig was forced to start coring from within the broken ground which had already been disturbed by the RC rig, making the job extremely difficult.

A different approach will be adopted for Phase III. All holes targeting the interpreted supergene enrichment zone (see Figure 2) will be drilled as diamond holes from surface, or diamond holes with relatively short RC pre-collars. This will give the diamond drillers a much better chance of penetrating the zone of broken ground and achieving full core recovery.

Phase III drilling will aim to test the following:

1. **The interpreted high grade gold position on the lower ironstone contact (see Figures 3, 4 and 5)**
2. **Extend the primary copper-gold-bismuth mineralisation at depth (see hatched lower target area in Figure 2)**
3. **Test the lateral extents of the supergene enrichment zone (see the east and west hatched target areas in Figure 2)**

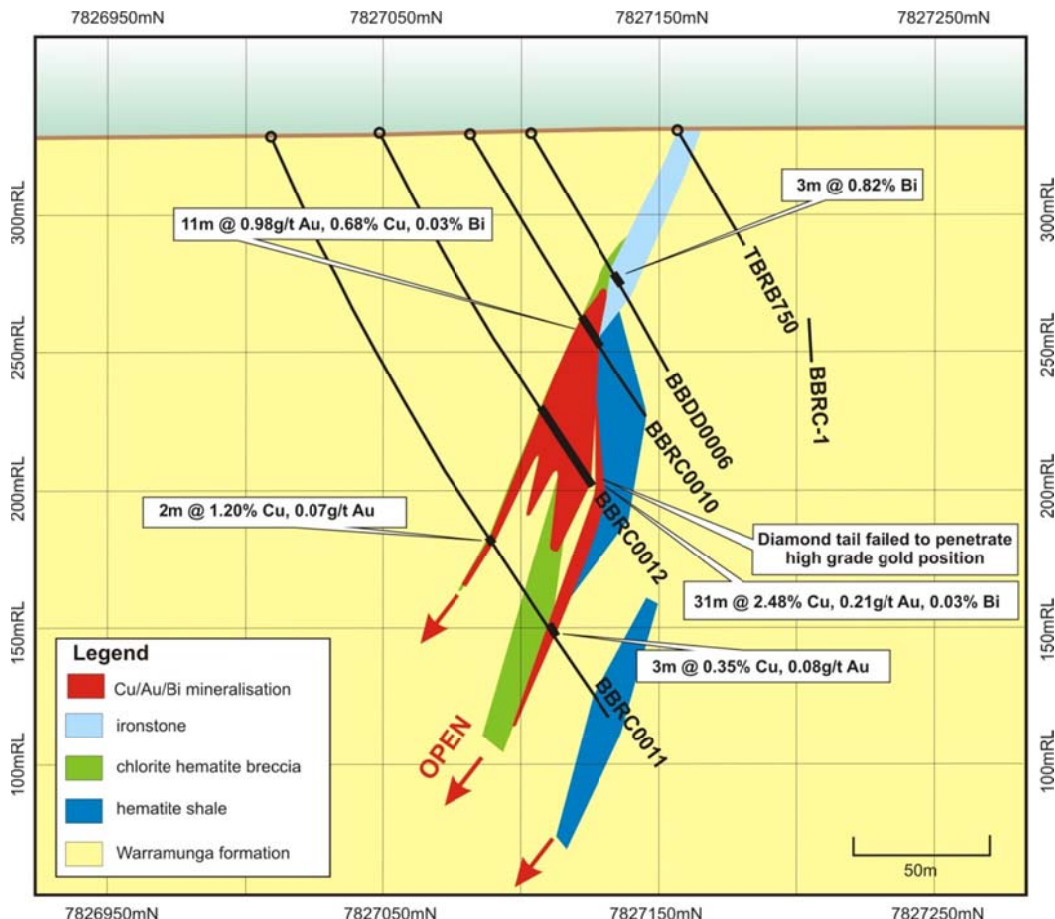


Figure 3 – Cross section at 448380mE, looking west. Note that diamond drilling of BBRC0012 was abandoned without any advancement beyond the end of the RC hole



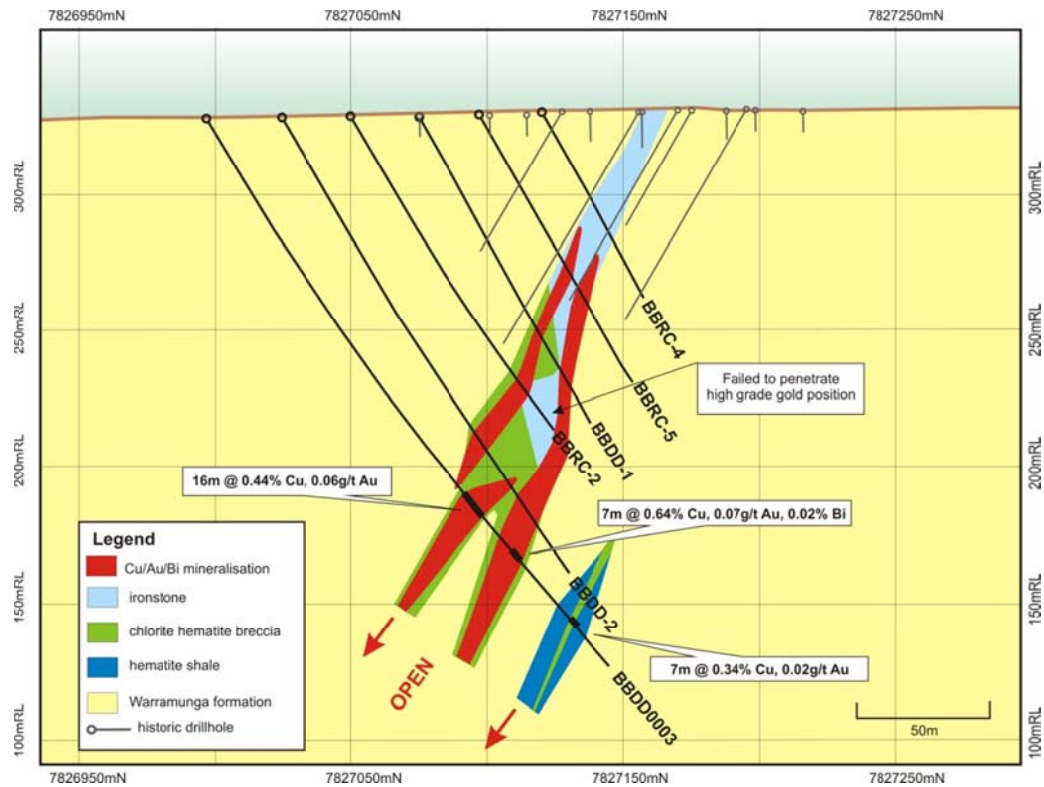


Figure 4 – Cross section at 448400mE, looking west. Note the hematite shales and chlorite hematite breccia in the footwall which are anomalous in copper

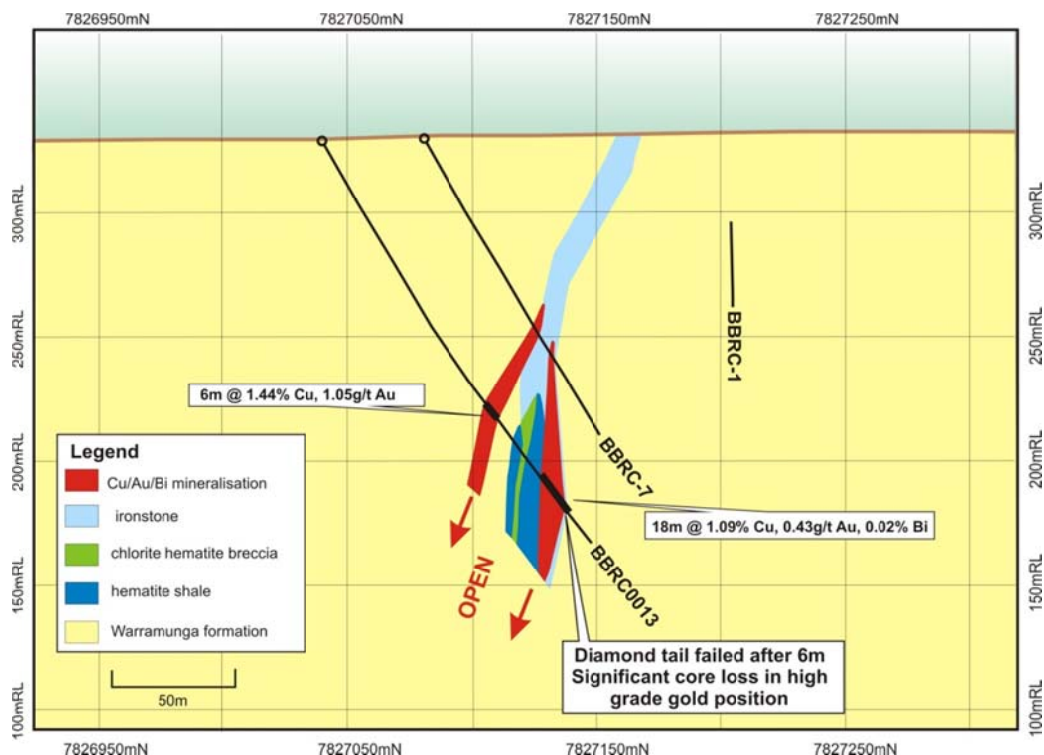


Figure 5 – Cross section at 448360mE, looking west, showing recent drilling results. Note BBRC0013 diamond drilling was abandoned at 185m, after 6m of coring



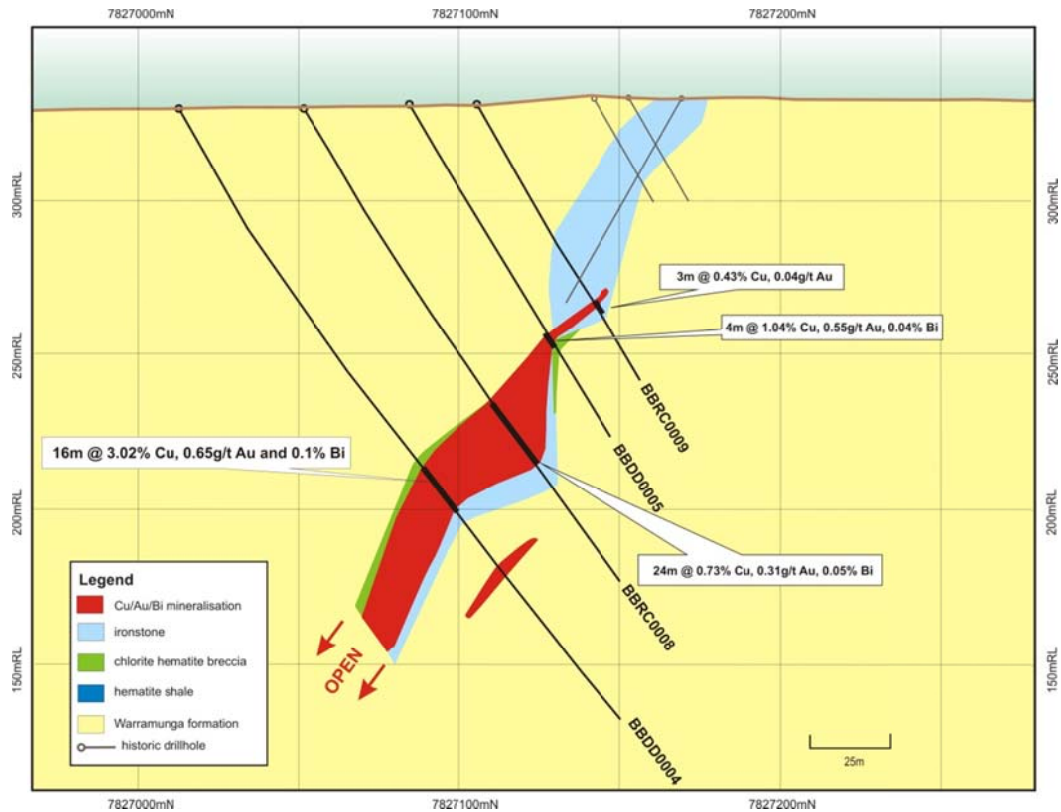


Figure 6 – Cross section at 448420mE, looking west. Note the apparent change in dip. BBRC0008 was successfully completed by diamond drilling, but with significant core loss on the lower ironstone contact

## OTHER TARGETS WITHIN THE BARKLY PROJECT

Reprocessing of magnetic and gravity geophysical datasets has allowed Blaze geologists to fingerprint the signature of the Bluebird host ironstone and identify other similar features within the Barkly Project area. A number of targets have been generated and ranked based on coincident magnetic, gravity, and/or geochemical anomalies similar to Bluebird or other deposits in the Tennant Creek Mineral Field (TCMF). Each of these has the potential to host mineralisation similar to Bluebird.

Nine targets have ranked as very high priority based on remnant magnetism similar to Bluebird, proximity to the gravity ridge and strike extensions of Bluebird, and the coincidence of geochemistry and/or gravity anomalies (Figure 7).

The highest ranking targets are Red Parrot and Dillon. These are located directly along strike to the east of Bluebird, on the gravity ridge, have a similar remnant magnetic response to Bluebird, and are both associated with gold grades of up to 0.6g/t in historic RAB and RC drilling (Figures 7, 8 and 9).

Another target of particular interest is General Electric (Figure 7). This is a large body of strongly magnetic material with a deep root system. 3D inversion modelling of the ground magnetics has substantially refined this anomaly. General Electric hosts several remnant magnetic features and coincident gravity anomalies, which will be the initial focus of follow-up activity over this high priority target.

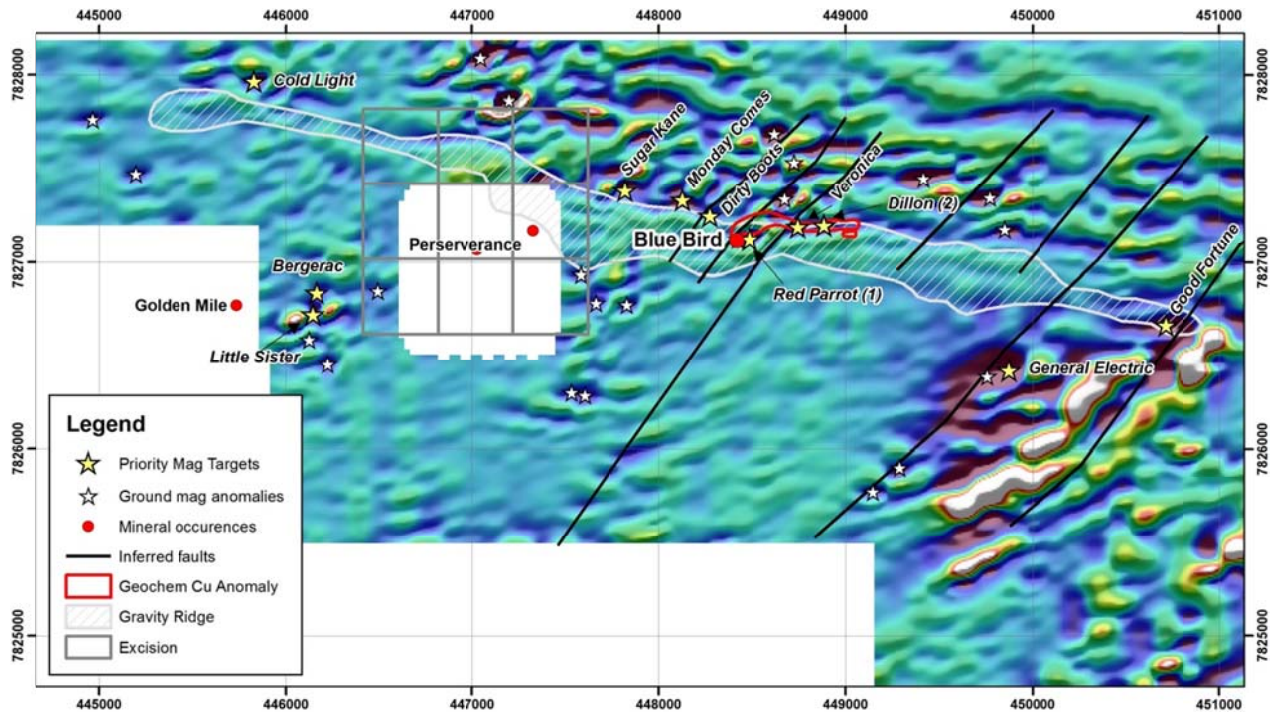


Figure 7 –First vertical derivative ground magnetic image of the Barkly project showing remnant magnetic anomalies with white stars, high priority targets as labelled yellow stars, NE trending structural interpretation as black lines and the gravity ridge hatched in light grey.

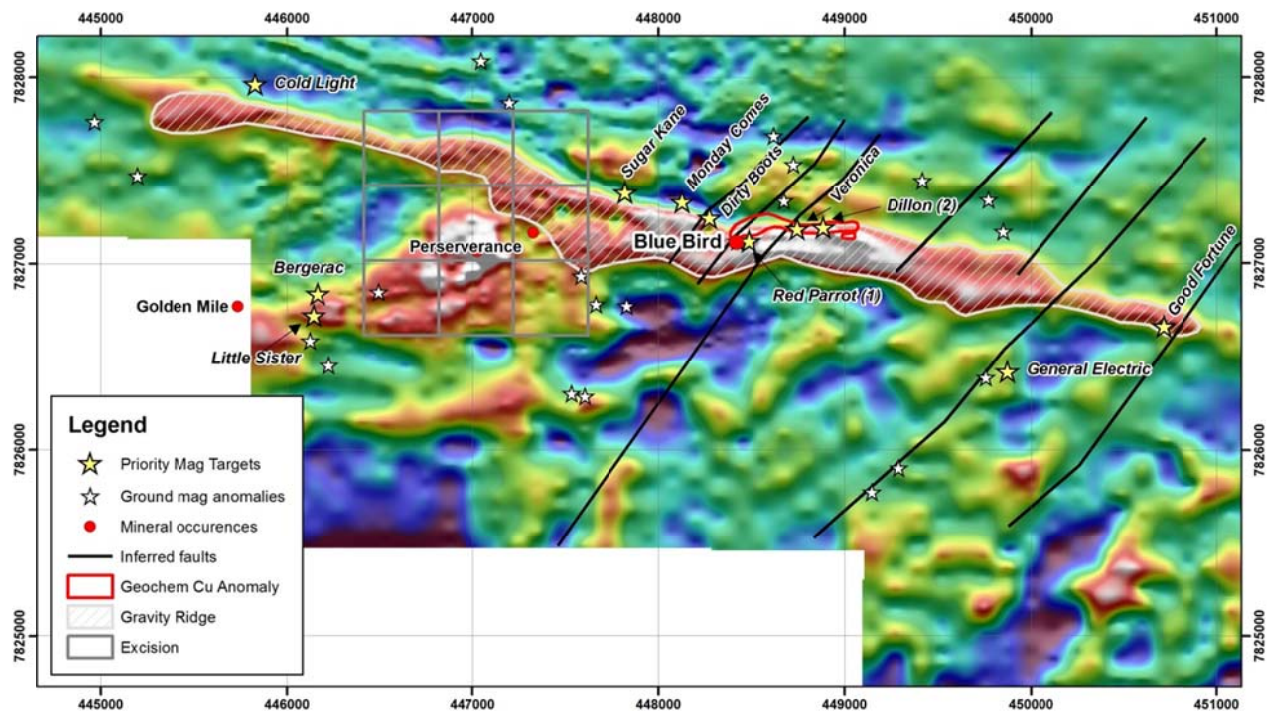


Figure 8 –Residual gravity image of the Barkly project showing remnant magnetic anomalies with white stars, high priority targets as labelled yellow stars, NE trending structural interpretation as black lines and the gravity ridge hatched in light grey.

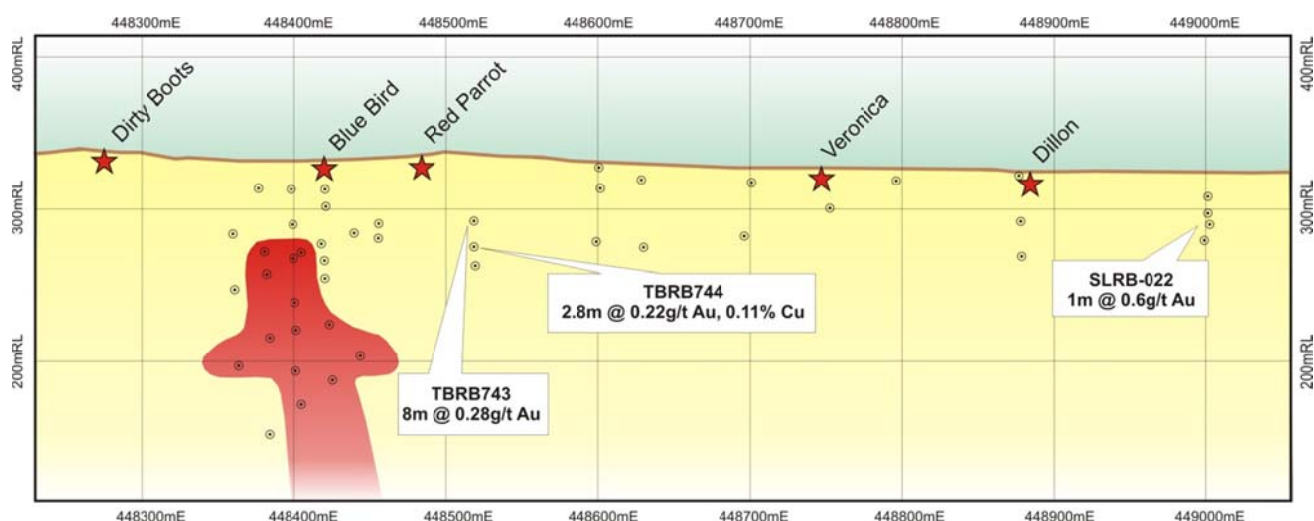


Figure 9 –Longitudinal projection of the Bluebird Trend looking north, showing successful drillhole pierce points in grey circles, labelled with significant intercepts where appropriate, and high priority targets in red stars. Bluebird mineralisation is shown in red. Note the proximity of Dillon and Red Parrot to significant historic intercepts.

## DISCUSSION AND FOLLOW-UP PLANS FOR BLUEBIRD

Phase III drilling is scheduled for as soon as possible after the wet season which, though highly variable in nature, typically ends in March. 3D geological models of Bluebird have now been re-interpreted and updated to assist with Phase III drill planning.

### Tenement information

Schedule of Mining and Exploration Tenements						
Country	State/Region	Project	Tenement ID	Area Km2	Grant Date	Interest %
Australia	NT	Barkly	EL 28620	39.16	16/12/2011	Earning 80

### Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a full time employee of Golden Deeps Limited, consulting to Blaze International Limited, and a member of The Australasian Institute of Geoscientists. Mr Marshall 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". Mr Marshall 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 Blaze International Limited'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 Blaze International Limited 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.

**4. Changes in State of Affairs**

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

**5. 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 half-year financial report. This Independence Declaration is set out on the following 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 s306(3) of the Corporations Act 2001.



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**Michael Scivolo**  
**Non-Executive Chairman**

Dated this 13<sup>th</sup> day of March 2015



Accountants | Business and Financial Advisers

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Blaze International 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  
13 March 2015**

A handwritten signature in blue ink, appearing to read 'D I Buckley'.

**D I Buckley  
Partner**

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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**

	Notes	Consolidated 31 December 2014 \$	Consolidated 31 December 2013 \$
Revenue		1,274	11,162
Accounting and audit fees		(12,271)	(15,677)
Administration expenses		(88,051)	(89,495)
ASX and ASIC fees		(22,932)	(15,013)
Consulting fees		-	(14,852)
Employee benefits expense		(42,494)	(42,544)
Exploration expenditure written off		(470)	(89,415)
Legal fees		(6,400)	(264)
Management fees		(125,440)	(137,196)
Other expenses		(50,356)	(8,000)
<b>Loss before income tax benefit</b>		<b>(347,140)</b>	<b>(401,294)</b>
Income tax benefit		-	-
<b>Net loss for the period</b>		<b>(347,140)</b>	<b>(401,294)</b>
Other comprehensive income for the period:			
<i>Items that may be reclassified to profit and loss</i>			
Net change in available-for-sale financial assets		4,950	-
Total comprehensive result for the period		<b>(342,190)</b>	<b>(401,294)</b>
Basic loss per share (cents)		<b>(0.01)</b>	(0.01)

The accompanying notes form part of these financial statements.

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

	Notes	Consolidated 31 December 2014 \$	Consolidated 30 June 2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		32,285	114,486
Trade and other receivables		47,534	18,274
<b>Total Current Assets</b>		<b>79,819</b>	<b>132,760</b>
<b>Non-Current Assets</b>			
Available-for-sale financial assets		8,100	3,150
Deferred exploration expenditure	2	568,402	159,789
<b>Total Non-Current Assets</b>		<b>576,502</b>	<b>162,939</b>
<b>Total Assets</b>		<b>656,321</b>	<b>295,699</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		222,644	126,696
Borrowings	3	350,000	-
<b>Total Current Liabilities</b>		<b>572,644</b>	<b>126,696</b>
<b>Total Liabilities</b>		<b>572,644</b>	<b>126,696</b>
<b>Net Assets</b>		<b>83,677</b>	<b>169,003</b>
<b>EQUITY</b>			
Issued capital	4	32,762,006	32,505,142
Reserves		4,950	-
Accumulated losses		(32,683,279)	(32,336,139)
<b>Total Equity</b>		<b>83,677</b>	<b>169,003</b>

The accompanying notes form part of this financial report.



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

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Option Reserve \$</b>	<b>Revaluation Reserve \$</b>	<b>Total Equity \$</b>
<b>Balance 1 July 2013</b>	32,071,040	(33,506,145)	1,924,701	-	489,596
<b>Total comprehensive result for the period</b>	-	<b>(401,294)</b>	-	-	<b>(401,294)</b>
Shares issued during the half-year	420,000	-	-	-	420,000
Share issue costs	(26,040)	-	-	-	(26,040)
<b>Balance at 31 December 2013</b>	<b>32,465,000</b>	<b>(33,907,439)</b>	<b>1,924,701</b>	<b>-</b>	<b>482,262</b>
<b>Balance 1 July 2014</b>	<b>32,505,142</b>	<b>(32,336,139)</b>	-	-	<b>169,003</b>
Loss for the period	-	(347,140)	-	-	(347,140)
Change in fair value of available for sale financial assets	-	-	-	4,950	4,950
<b>Total comprehensive result for the period</b>	-	<b>(347,140)</b>	-	<b>4,950</b>	<b>(342,190)</b>
Shares issued during the half-year	279,200	-	-	-	279,200
Share issue costs	(22,336)	-	-	-	(22,336)
<b>Balance at 31 December 2014</b>	<b>32,762,006</b>	<b>(32,683,279)</b>	<b>-</b>	<b>4,950</b>	<b>83,677</b>

The accompanying notes form part of these financial statements.

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

	<b>Consolidated 31 December 2014 \$</b>	<b>Consolidated 31 December 2013 \$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	<b>(297,358)</b>	(308,567)
Interest received	<b>1,006</b>	11,162
Other	<b>-</b>	5,670
Net cashflows used in operating activities	<b>(296,352)</b>	(291,735)
<b>Cashflows from investing activities</b>		
Payment for exploration and evaluation	<b>(392,713)</b>	(18,878)
Net cashflows used in investing activities	<b>(392,713)</b>	(18,878)
<b>Cashflows from financing activities</b>		
Proceeds from borrowings	<b>350,000</b>	-
Proceeds from issues of shares and options	<b>279,200</b>	420,000
Payment of share issue costs	<b>(22,336)</b>	(26,040)
Net cashflows from financing activities	<b>606,864</b>	393,960
<b>Net increase / (decrease) in cash held</b>	<b>(82,201)</b>	83,347
Cash at beginning of period	<b>114,486</b>	379,064
Cash at end of period	<b>32,285</b>	462,411

The accompanying notes form part of these financial statements.

## **1. Basis of preparation**

### **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 Blaze International 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.

The Group made a loss of \$347,140 and had a net outflow from operating and investing activities of \$689,065 for the half-year ended 31 December 2014. The Group had available cash and cash equivalents of \$32,285 as at 31 December 2014.

The Board considers that Blaze International Limited is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. This additional funding such as occurred during the current period where the Company raised \$256,864 after the costs of the issue, can be derived from either one or a combination of the following:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001;
- Funding available under the Convertible Note Trust Deed (refer to note 3 and 5);
- The sale of assets; or
- Deferral of management and director fees

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

It is the intention of the Directors to pursue a capital raising as soon as practicable to enable Blaze International Limited to obtain sufficient funding to continue as a going concern. Accordingly, the Directors believe that it is appropriate to adopt that basis of accounting in the preparation of the half-year financial report.

If the Group is unable to raise additional funding, there would be a material uncertainty that may cast significant doubt as to whether the Group would continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**2. Deferred Exploration Expenditure**

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
Deferred exploration expenditure:		
Exploration and evaluation phase		
Expenditure brought forward	<b>159,789</b>	123,104
Expenditure incurred during the period	<b>409,083</b>	178,622
Expenditure written off during the period	<b>(470)</b>	(141,937)
<b>Total deferred exploration expenditure</b>	<b>568,402</b>	159,789

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.

**3. Borrowings**

	<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Unsecured		
Convertible loans notes	<b>350,000</b>	-

The material terms of the convertible notes are as follows:

- (a) Face value: \$0.0008;
- (b) Interest Rate: flat rate of 20% per annum. If in default, flat rate of 35% per annum;
- (c) Maturity Date: 6 months from the date of issue;
- (d) Security: The notes are unsecured;
- (e) Conversion: at the election of the holder into ordinary shares on a one for one basis; and
- (f) Conditions: the convertible notes are only convertible into shares after shareholder approval has been obtained in general meeting.

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

	<b>Consolidated 31 December 2014 Number</b>	<b>Consolidated 31 December 2014 \$</b>	<b>Consolidated 30 June 2014 Number</b>	<b>Consolidated 30 June 2014 \$</b>
<b>4. Issued Capital</b>				
<i>Ordinary shares</i>				
Issued and fully paid	<b>4,372,993,044</b>	<b>32,762,006</b>	4,023,993,044	32,505,142
<b>Movements in ordinary fully paid shares</b>				
Balance at beginning of period			4,023,993,044	32,505,142
Shares issued during the period			349,000,000	279,200
Share issue costs			-	(22,336)
Balance at end of period			<b>4,372,993,044</b>	<b>32,762,006</b>

**5. Funding Facilities**

As announced on the ASX on 5 September 2014, the Company secured up to AUD\$1.25 million in funds for the exploration and drilling of its Barkly Project at Tennant Creek. The funding arrangement is through a Convertible Note Trust Deed from sophisticated and professional investor clients of CPS Capital Group. \$350,000 has been drawn at 31 December 2014 and at the date of this report.

**6. Subsequent Events**

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

**7. Contingent Liabilities**

The Directors are not aware of any contingent liabilities as at 31 December 2014.

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

**8. Segment Reporting**

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group 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 segment being the mineral exploration sector in Western Australia. Accordingly, under the "management approach" outlines only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

**9. Fair Value Measurement**

The available-for-sale financial assets are recognised at fair value and have been classified as level 1 financial assets being based on quoted prices in active markets. There were no transfers between levels during the half year.

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

## DIRECTORS DECLARATION

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In the opinion of the Directors of Blaze International 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.



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Michael Scivolo  
Non-Executive Chairman

Perth, 13 March 2015



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**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Blaze International Limited

**Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Blaze International 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*.

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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 Blaze International 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 additional funding is required to ensure that the Company can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Should this additional funding not be obtained there is 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.

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**  
**13 March 2015**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
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