IKWEZI MINING LIMITED

(Incorporated in Bermuda with registered company number 45349)

ARBN 151 258 221

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

CONTENTS

DIRECTORS' REPORT

The directors of Ikwezi Mining Limited ("Company" or "Ikwezi") submit herewith the financial report of Ikwezi Mining Limited and its subsidiaries (the "Group") for the half-year ended 31 December 2014.

The names of the directors of the Company during or since the end of the half-year are:

Mr David Pile – *Executive Chairman*
Mr Ranaldo Anthony – *Executive Director*
Mr Alex Neuling – *Non-executive Director, Company Secretary*

Review of operations

For the half-year ended 31 December 2014 the Group recorded a net loss attributable to the owners of the Company of $701,727 (2013: net loss of $524,148) and net cash outflows from operating activities of $196,701 (2013: $233,798). Net cash outflows for investing activities was $64,427 (2013: $565,000)

Corporate

As at 31 December 2014 the Company had $376,672 cash and cash equivalents on hand.

The Company announced a Renounceable Entitlement Offer ("Offer") in December 2014 that was completed in January 2015. In terms of the Offer, an additional two shares were offered for every share held at AUD0.006 per share. Under the Offer a total of 677,500,000 shares were issued to raise a total of AUD4,065,000 before costs. The Offer was fully underwritten.

Operational

Global thermal coal market pricing remains under pressure largely due to market oversupply with the API4 Richards Bay FOB price in US$60 to $65 range at the date of this report. The decrease in the thermal coal prices has however been offset to a degree by the depreciation in the South African Rand.

Contract mining costs continue to reduce with a lot of surplus equipment currently available in the market leading to improved rates. The decrease in the price of oil has also assisted the reduction in the cost structure, with diesel comprising in the region of 35% of the mining costs.

The cost structure of the Company remains at a minimum to preserve cash. However, as work commences to bring the Ntendeka colliery into production this will increase during the first half of 2015.

Additional open cast areas at the Company's Ntendeka Colliery have been modelled and mine plan scheduling completed which provides the Company with additional open cast mining options from both a production and quality perspective. The mine plans for certain of the open cast operations have been rescheduled based on quality and strip ratios to assist in further reducing operational costs to maximise profitability in the current lower coal price environment.

The Company's main focus remains on bringing the Ntendeka Colliery into production.

DIRECTORS' REPORT (cont)

On site, the coal wash plant has been completed and dry commissioned. Security fencing has been erected around the entire processing site with the relevant security teams in place to ensure the continued integrity of the assets.

Construction of the bridges and culverts on the haul road from the wash plant to the siding at Ngagane have been completed together with the upgrade of the sections of the road required to bring it into an operable condition. The run-of-mine ramp and stockpile area have been completed as has the installation of all major electrical infrastructure.

The remaining construction activities required to bring the plant into operation relate to the construction of the water supply system, which includes the pipeline from the old Ngagane Colliery workings to the coal wash plant, together with the completion of the water storage, pollution control dams and rail siding.

It is recommended that the half-yearly financial statements be read in conjunction with the 30 June 2014 Annual Report and any public announcements made by the Group during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with Australian Securities Exchange regarding exploration and other activities of the Group.

Subsequent Events

As announced on 9 February 2015, the Company completed its Offer under which two shares were offered for every one share held in the Company to raise a total of AUD4,065,000 before costs.

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has 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 future financial years.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

David Pile
Director
13 March 2015, Singapore

Deloitte.

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Independent Auditor's Review Report to the members of Ikwezi Mining Limited

We have reviewed the accompanying half-year financial report of Ikwezi Mining Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the directors as set out on pages 5 to 19. The consolidated entity comprises the company (Ikwezi Mining Limited) and the entities it controlled at the end of the half-year or from time to time during the half-year.

Director's Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards and for such internal control as the directors determine is necessary for the preparation and fair presentation 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, anything has come to our attention that causes us to believe that the half-year financial report is not presented fairly, in all material respects, in accordance with Australian Accounting Standards. As the auditor of Ikwezi Mining 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.

Deloitte.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Ikwezi Mining Limited does not present fairly, in all material respects, the company's financial position as at 31 December 2014 and of its financial performance for the period ended on that date in accordance with Australian Accounting Standards as described in Note 2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 13 March 2015

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ikwezi Mining Limited, I state that:

In the opinion of the Directors:

a) The financial statements and notes of the consolidated entity:
   i. Give a true and fair view of the financial position as at 31 December 2014 and the performance of the consolidated entity for the half-year ended on that date; and
   ii. Comply with Accounting Standard AASB 134: Interim Financial Reporting.

b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

David Pile
Director
Singapore
13 March 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 Dec 2014 $	31 Dec 2013 $
Revenue	-	5,272
Investment income	77,165	94,669
Other gains and losses	(382,264)	(428)
Depreciation and amortisation expense	-	(642)
Employee benefits expense	(330,470)	(358,586)
Finance costs	(1,860)	(35,280)
Consulting expenses	(10,373)	(5,059)
Administration expenses	(126,836)	(182,842)
Travel and transport expenses	(27,648)	(33,210)
Foreign exchange (losses)/gains	(5,082)	(855)
Other expenses	(981)	(1,045)
Loss before tax	**(808,349)**	**(518,006)**
Income tax expense	-	-
Loss for the period from continuing operations	**(808,349)**	**(518,006)**
Attributable to:		
Owners of the parent	(701,727)	(524,148)
Non-controlling interests	(106,622)	6,142
	(808,349)	(518,006)
Loss per share (Note 5)		
From continuing operations:		
Basic (cents per share)	(0.07)	(0.05)
Diluted (cents per share)	(0.07)	(0.05)

Notes to the condensed consolidated financial statements are included on pages 11-19.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 Dec 2014 $	31 Dec 2013 $
Loss for the period	(808,349)	(518,006)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(77,487)	(15,592)
	(885,836)	(15,592)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**(885,836)**	**(533,598)**
Total comprehensive income attributable to:		
Owners of the parent	(779,214)	(539,740)
Non-controlling interests	(106,622)	6,142
	(885,836)	(533,598)

Notes to the condensed consolidated financial statements are included on pages 11-19.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Consolidated 31 Dec 2014 $	Consolidated 30 June 2014 $
Current assets			
Cash and cash equivalents		376,672	817,375
Trade and other receivables		6,350	81,257
Other financial assets		1,469,880	1,276,858
Other current assets		113,142	97,678
Total current assets		1,966,044	2,273,168
Non-current assets			
Property, plant and equipment	(6)	14,715,950	15,245,157
Exploration and evaluation expenditure	(7)	10,813,078	10,698,096
Total non-current assets		25,529,028	25,943,253
Total assets		27,495,072	28,216,421
Current liabilities			
Trade and other payables		1,578,335	1,262,547
Borrowings	(8)	-	91,818
Provisions		226	214
Other liabilities		6,546	6,214
Total current liabilities		1,585,107	1,360,793
Non-current liabilities			
Provisions		186,366	173,865
Total non-current liabilities		186,366	173,865
Total liabilities		1,771,473	1,534,658
Net assets		25,723,599	26,681,763
Equity			
Issued capital	(9)	30,497,122	30,569,450
Reserves	(10)	(966,750)	(889,263)
Accumulated losses		(3,760,924)	(3,059,197)
Equity attributable to owners of the parent		25,769,448	26,620,990
Non-controlling interest		(45,849)	60,773
Total equity		25,723,599	26,681,763

Notes to the condensed consolidated financial statements are included on pages 11-19.

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

	Issued capital $	Share based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Attributable to owners of the parent $	Non-controlling interest $	Total $
Balance as at 1 July 2013	30,569,450	140,000	(912,245)	(2,024,739)	27,772,466	55,898	27,828,364
Loss for the period	-	-	-	(524,148)	(524,148)	6,142	(518,006)
Exchange differences on translation of foreign operations	-	-	(15,592)	-	(15,592)	-	(15,592)
Total comprehensive income for the period	-	-	(15,592)	(524,148)	(539,740)	6,142	(533,598)
Balance at 31 December 2013	**30,569,450**	**140,000**	**(927,837)**	**(2,548,887)**	**27,232,726**	**62,040**	**27,294,766**
Balance as at 1 July 2014	**30,569,450**	**140,000**	**(1,029,263)**	**(3,059,197)**	**26,620,990**	**60,773**	**26,681,763**
Loss for the period	-	-	-	(701,727)	(701,727)	(106,622)	(808,349)
Exchange differences on translation of foreign operations	-	-	(77,487)	-	(77,487)	-	(77,487)
Total comprehensive income for the period	-	-	(77,487)	(701,727)	(779,214)	(106,622)	(885,836)
Share issue costs	(72,328)	-	-	-	(72,328)	-	(72,328)
Balance at 31 December 2014	**30,497,122**	**140,000**	**(1,106,750)**	**(3,760,924)**	**25,769,448**	**(45,849)**	**25,723,599**

Notes to the condensed consolidated financial statements are included on pages 11-19.

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

	31 Dec 2014 $	31 Dec 2013 $
Cash flows from operating activities		
Payments to suppliers and employees	(196,701)	(233,798)
Net cash used in operating activities	(196,701)	(233,798)
Cash flows from investing activities		
Interest received	77,166	94,669
Receipts/(Payments) for property, plant and equipment	62,657	(139,325)
Payments for capitalised exploration and evaluation	(98,330)	(428,019)
Proceeds from disposal of property, plant and equipment	1,380	62,592
Proceeds from land rental	-	5,272
Payments to acquire financial assets	(107,300)	(160,189)
Net cash used in investing activities	(64,427)	(565,000)
Cash flows from financing activities		
Repayment of borrowings	(91,818)	(198,996)
Share issue costs	(13,252)	-
Net cash used in financing activities	(105,070)	(198,996)
Net decrease in cash and cash equivalents	(366,198)	(997,794)
Cash and cash equivalents at the beginning of the period	817,375	2,544,753
Effects of exchange rate changes on the balance of cash held in foreign currencies	(74,505)	(17,622)
Cash and cash equivalents at the end of the period	**376,672**	**1,529,337**

Notes to the condensed consolidated financial statements are included on pages 11-19.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. Corporate Information

Ikwezi Mining Limited ("Company" or "Ikwezi") is a company limited by shares incorporated in Bermuda whose shares are publicly traded on the ASX. The condensed consolidated financial statements of the Group as at and for the half-year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134"Interim Financial Reporting" (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34"Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or revised Standards and Interpretations that are first effective in 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 reporting period.

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 2013-9 '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 2013-9 '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 this 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; those relevant to the Group 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 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 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 none of which are relevant to the Group.

Part C: 'Materiality'

The 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.

3. Going concern

The half-year financial report has been prepared on the going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has incurred a net loss after tax of $808,349 (2013: loss of $518,006) and had net cash outflows from operating and investing activities of $261,128 (2013 net cash outflow of $798,798) for the period ended 31 December 2014. As at 31 December 2014 the Consolidated Entity had cash assets of $376,672 (30 June 2014: $817,375) and net current assets of $380,937 (30 June 2014: $912,376).

The Directors have reviewed the Consolidated Entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis remains appropriate given that on 22 December 2014, the Company announced a capital raising through a renounceable rights issue to raise up to a maximum of AUD4,065,000 before costs. The issue was fully underwritten.

Subsequently, the Company announced on 21 January 2015 that the rights issue had been completed (see note 14).

4. Segment information

Management has determined that the Group has one reportable segment, being coal exploration and development. As the Group is focused on coal exploration, the Board monitors the Group based on actual versus budgeted revenues and expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

5. Loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Half-year ended 31/12/14 $	**Half-year ended 31/12/13 $ (restated)**
Loss for the year attributable to owners of the Company	(701,727)	(524,148)
Loss used in the calculation of basic loss per share form continuing operations	(701,727)	(524,148)

	Half-year ended 31/12/14 $	Half-year ended 31/12/13 $ (restated)
Weighted average number of ordinary shares for the purposes of basic loss per share, including the effects of the rights issue completed before the issue of this report	1,016,250,000	1,016,250,000
Weighted average number of ordinary shares for the purposes of basic loss per share as originally calculated at report date	338,750,000	338,750,000

Loss per share has been calculated taking into effect the rights issue completed in February 2015; loss per share for the half-year ended 31 December 2013 has been restated to reflect the rights issue.

6. Property, plant and equipment

	Land & Buildings $	Rail Siding (in progress) $	Beneficiation Plant (in progress) $	Mine infrastructure (in progress) $	Road Earthworks (in progress) $	Office & Computer Equipment & Software $	Motor Vehicles $	Other Fixtures & Fittings $	Total $
At cost									
At 1 July 2014	**910,358**	**175,006**	**9,345,644**	**2,912,700**	**1,792,001**	**25,276**	**99,146**	**67,274**	**15,327,405**
Additions	-	-	-	(59,466)[1]	-	-	-	-	(59,466)
Disposals	-	-	-	(383,643)	-	-	-	-	(383,643)
Foreign exchange	-	-	-	(86,098)	-	-	-	-	(86,098)
At 31 Dec 2014	**910,358**	**175,006**	**9,345,644**	**2,383,493**	**1,792,001**	**25,276**	**99,146**	**67,274**	**14,798,198**
Accumulated Depreciation									
At 1 July 2014	**-**	**-**	**-**	**-**	**-**	**9,329**	**44,384**	**28,535**	**82,248**
Depreciation	-	-	-	-	-	-	-	-	-
At 31 Dec 2014	**-**	**-**	**-**	**-**	**-**	**9,329**	**44,384**	**28,535**	**82,248**
Net book value									
At 1 July 2014	910,358	175,006	9,345,644	2,912,700	1,792,001	15,947	54,762	38,739	15,245,157
At 31 Dec 2014	**910,358**	**175,006**	**9,345,644**	**2,383,493**	**1,792,001**	**15,947**	**54,762**	**38,739**	**14,715,950**

[1] Negative additions represent refunds received on purchases capitalised in a previous financial period

7. Exploration and evaluation expenditure

	Half-year ended 31 December $
At cost	
Balance at 1 July 2014	10,698,096
Additions	114,982
Balance at 31 December 2014	**10,813,078**

8. Obligations under finance leases

8.1 Leasing arrangements

The Group has financed 10% of the contract price for the construction and commission of its Beneficiation Plant under a finance lease. The lease term is for 19 months. The Group's obligation under the finance lease is secured by the lessors' title to the leased assets. During the period the finance lease was settled in full.

8.2 Finance lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31 Dec 14	**30 Jun 14**	**31 Dec 14**	**30 Jun 14**
	$	**$**	**$**	**$**
Not later than one year	-	92,783	-	91,818
Later than one year and not later than five years	-	-	-	-
	-	92,783	-	91,818
Less future finance charges	-	(965)	-	-
Present value of minimum lease payments	-	91,818	-	91,818

	31/12/14	30/06/14
Included in the consolidated financial statements as:		
Current borrowings	-	91,818
Non-current borrowings	-	-
	-	91,818

9. Issued capital

Issued capital as at 31 December 2014 amounted to $30,497,122 (2013: $30,569,450) comprising 338,750,000 ordinary shares (2013: 338,750,000).

At the date of the issue of this report, issued capital amounts to $34,334,749 comprising 1,016,250,000 ordinary shares following the completion of the two for one rights issue in January 2015. See Note 14

Share issue costs of $72,328 (2013: Nil) have been incurred during the half-year in relation to the rights issue.

10. Reserves

	31 Dec 14 $	30 Jun 14 $
Foreign currency translation reserve	(1,106,750)	(1,029,263)
Share based payments reserve	140,000	140,000
	(890,563)	(889,263)

10.1 Foreign currency translation reserve

	31 Dec 14 $	30 Jun 14 $
Balance at the beginning of the period	(1,029,263)	(912,245)
Exchange differences arising on translation of foreign operations	(77,487)	(117,018)
Balance at the end of the period	(1,106,750)	(1,029,263)

10.2 Share based payments reserve

	31 Dec 14 $	30 Jun 14 $
Balance at the beginning of the period	140,000	140,000
Share based payments	-	-
Balance at the end of the period	140,000	140,000

11. Contingencies and commitments

11.1 Capital expenditure commitments

Plant and equipment	31 Dec 14 $	30 Jun 14 $
Not longer than 1 year	259,112	278,038
Later than 1 year and not longer than 5 years	259,112	245,940
Longer than 5 years	-	-
	518,224	523,978

11.2 Exploration and evaluation commitments

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished or exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

	31 Dec 14	30 Jun 14
Tenement expenditure commitments	**$**	**$**
Not longer than 1 year	230,438	343,831
Later than 1 year and not longer than 5 years	259,707	350,172
Longer than 5 years	-	-
	490,145	694,003

Other commitments	**31 Dec 14**	**30 Jun 14**
Rental expenditure	**$**	**$**
Not longer than 1 year	21,900	20,787
Later than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	21,900	20,787

12. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

13. Financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

13.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table gives information about how the fair values of the Group's financial assets are determined when measured at fair value at the end of each reporting period.

Financial assets	Fair value as at:		Fair value hierarchy	Valuation technique and key input
	31/12/14	30/06/14		
Unit trust	$1,469,880	$1,276,858	Level 1	Quoted unit prices in an active market.

13.2 Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31/12/14		30/06/14	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial liabilities				
Financial lease payables	-	-	91,818	86,849

14. Subsequent events

On 22 December 2014, the Company announced a renounceable rights issue of 2 shares for every 1 share held at an issue price of $0.006 per share. The Company later announced the rights issue closed on 16 January 2015. Subsequently, 335,799,632 ordinary shares were issued ("Rights Issue Shares") to raise AUD2,014,798 with a further 341,700,368 ordinary shares issued to the underwriter of the rights issue ("Shortfall shares") to raise a further AUD2,050,202 before costs.

There has not been any matter or circumstance, other than disclosed elsewhere in this report, the financial statements or notes thereto, that has arisen since the end of the financial period, that has 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 future financial years.