



**blackmountain**  
resources limited

**AND CONTROLLED ENTITIES**  
**ABN 55 147 106 974**

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

## Contents

Corporate Information .....	2
Directors' Report .....	3
Auditor's Independence Declaration.....	6
Statement of Comprehensive Income.....	7
Statement of Financial Position.....	8
Statement of Changes in Equity .....	9
Statement of Cash Flows .....	10
Notes to the Financial Statements .....	11
Directors' Declaration.....	16
Auditor's Independent Review Report.....	17

## Corporate Information

This financial report includes the consolidated financial statements of Black Mountain Resources Limited and controlled entities ('Group'). The Group's functional presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's Report.

### Directors

Mr Peter Landau – Executive Chairman

Mr John Ryan – Executive Director

Mr Jason Brewer – Non-Executive Director

Ms Shannon Robinson – Executive Director – resigned 27 July 2014

### Company Secretaries

Ms Jane Flegg – appointed 21 July 2014

Ms Rebecca Sandford – resigned 21 July 2014

### Registered Office

Ground Floor, 1 Havelock Street

West Perth WA 6005

### Share Registry

Computershare Investor Services

Level 2/45 St Georges Tce

Perth WA 6000

### Auditors

RSM Bird Cameron Partners

8 St Georges Terrace

Perth WA 6000

### Solicitors

Steinepreis Paganin

Level 4, 16 Milligan Street

Perth WA 6000

### Stock Exchange

Australian Securities Exchange

Exchange Plaza

2 The Esplanade

Perth WA 6000

*ASX Code: BMZ*

London Stock Exchange plc (AIM)

10 Paternoster Square

London EC4M 7LS

*AIM Code: BMZ*

### Website

[www.blackmountainresources.com.au](http://www.blackmountainresources.com.au)

## **Directors' Report**

Your directors present their report on the consolidated entity of Black Mountain Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

### **Directors**

The persons who were directors of Black Mountain Resources Limited during the half -year and up to the date of this report are:

Mr Peter Landau (Executive Director)

Mr John Ryan (Executive Director)

Mr Jason Brewer (Non-Executive Director)

Ms Shannon Robinson (Executive Director) – resigned 21 July 2014

### **Results**

The consolidated statement of comprehensive income shows a consolidated net loss for the half-year ended 31 December 2014 of \$7,173,438 (2013: net loss of \$1,215,178).

## Directors' Report (Cont.)

### Review of Operations for the Half-Year ended 31 December 2014

#### New Departure Silver Project, Montana

The Company's principal focus during the half-year continued to be on the New Departure Silver Project ("New Departure") in Montana, USA.

Two phases of channel sampling were completed during the half year (refer to ASX announcements of 22 July 2014 and 18 September 2014 for full drilling results) which confirmed significant high grade results, highlighting that the Blue Dot Level has the greatest potential for hosting a mineral resource in the downward and northwest plunging remainder of the ore body, and extended the silver mineralisation at the Main Zone. These results are being incorporated into the Company's updated mine plan for the Project. During the half-year work was completed by the Company's technical team and consultants on finalizing the 3-D mine model. Hard Rock Consulting ("HRC") commenced modelling the silver vein mineralisation to confirm historical resource estimates and to update the mine plan for New Departure.

Further work during the half-year targeted a strategy of initially developing 13,000-15,000 identified tonnes at the upper Coppin Level at a targeted diluted mining grade of approximately 30oz/t Ag before focussing on the Blue Dot Level. This work is ongoing, however it is expected that development and mining could possibly be achieved faster and at a reduced capital cost. Upon receipt of financing the Company is confident of restarting development and operations during the second half-year of the 2015 financial year.

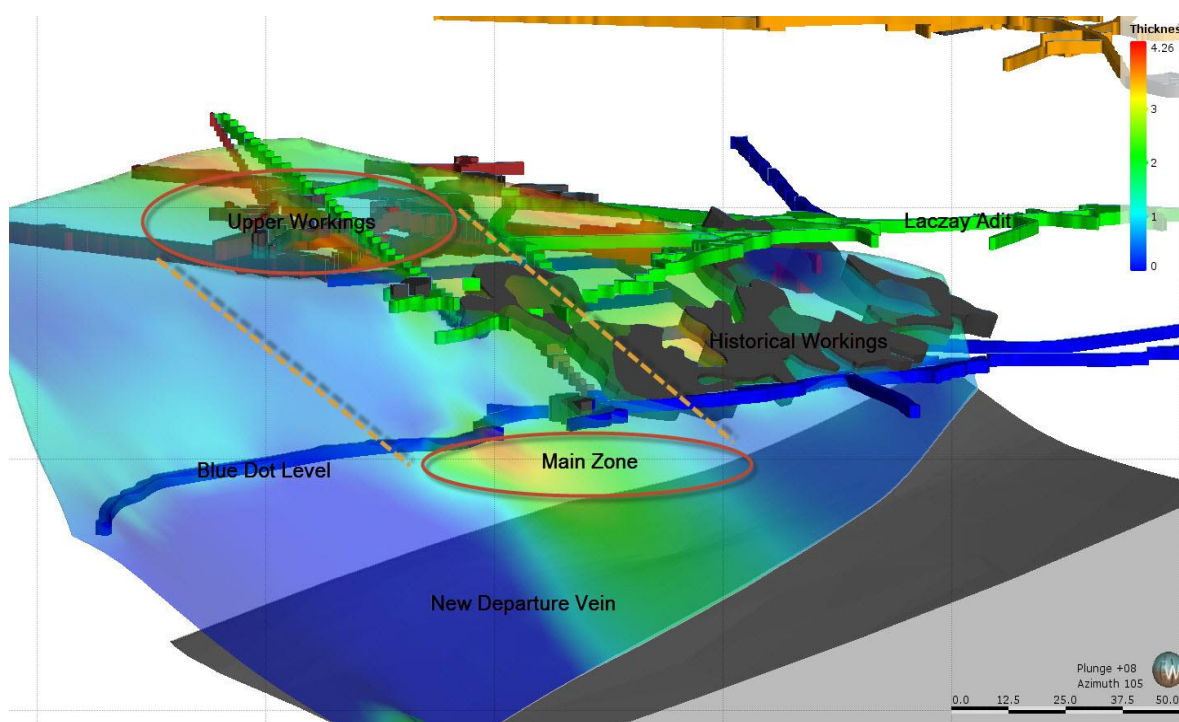


Figure 1: New Departure Mine

#### Conjecture Silver Project and Tabor Gold Project

With the Company's focus being on the planned mine development and production activities at New Departure, no significant work was undertaken during the half-year at the Conjecture Silver Project ("Conjecture").

In light of the Company's immediate focus on New Departure and Conjecture, and the need for the Company to optimise its allocation of capital and human resources, the Company chose to relinquish the Tabor Project to the lease owner during the half-year. Black Mountain had concluded very minimal desktop work on the project and believes the relinquishment is a sensible move.

## Directors' Report (Cont.)

### Corporate

The Company continued to advance its discussions with financiers during the half-year to enable development funding to be finalised and advanced for the New Departure Silver Project. The process has taken significantly longer than the Board had anticipated and has been impacted by the very difficult prevailing market conditions for junior resource companies. However the Company remains confident that considering the high grade nature of the mineralisation at the project, and its forecast low cost production credentials, non-dilutive funding for New Departure will be secured in the second half of the 2015 financial year.

### Subsequent Events

There have been no significant events subsequent to the half-year up to the date of this report.

### Auditor's Independence Declaration

The Auditor's Independence Declaration included within these financial statements forms part of the Director's Report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.



Peter Landau

Executive Director

Perth, Western Australia, 16 March 2015

### Competent Persons Statement

*The information included in this release that relates to historical mining data and exploration results is based on information compiled by Mr. James Baughman, a technical consultant to the Company. Mr. Baughman is a qualified geologist and has sufficient experience in exploration and mine development which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Baughman has reviewed this release and consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

**RSM Bird Cameron Partners**  
8 St George's Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

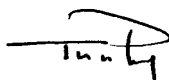
### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Black Mountain 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:

- (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.

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 16 March 2015

## Statement of Comprehensive Income

### For the half-year ended 31 December 2014

	Consolidated	
	Half-Year 31 Dec 2014 \$	Half-Year 31 Dec 2013 \$
Interest revenue	-	2,185
Other income	53,750	-
Finance costs	(130,298)	(146,654)
Employee and director benefits expense	(98,205)	(250,195)
Financial and company secretarial management expenses	(174,607)	(185,434)
ASX and share registry fees	(117,773)	(104,091)
Consultants and travel	(260,271)	(196,987)
Depreciation	(28,537)	(106,822)
Exploration cost written off	-	(186,532)
Impairment for exploration assets	(6,315,924)	-
Other expenses	(101,573)	(40,648)
<b>Loss before income tax expense</b>	<b>(7,173,438)</b>	<b>(1,215,178)</b>
Income tax expense	-	-
<b>Loss for the half-year</b>	<b>(7,173,438)</b>	<b>(1,215,178)</b>
<b>Other comprehensive income, net of tax</b>		
<i>Items that may be reclassified subsequently to operating result</i>		
Foreign currency translation differences	549,378	117,645
<b>Total comprehensive income for the half-year</b>	<b>(6,624,060)</b>	<b>(1,097,533)</b>
Loss attributable to:		
Owners of the Company	(7,087,519)	(1,119,242)
Non-controlling Interests	(85,919)	(95,936)
	(7,173,438)	(1,215,178)
Total comprehensive loss attributable to:		
Owners of the Company	(6,289,252)	(961,328)
Non-controlling Interests	(334,808)	(136,205)
	(6,624,060)	(1,097,533)
<b>Basic and diluted loss per share (cents per share)</b>	<b>(7.49)</b>	<b>(1.30)</b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



## Statement of Financial Position

As at 31 December 2014

	Note	Consolidated	
		31 December 2014	30 June 2014
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		32,166	61,785
Trade and other receivables		38,617	320,634
Other assets		9,747	12,340
<b>Total Current Assets</b>		<b>80,530</b>	<b>394,759</b>
<b>Non-Current Assets</b>			
Plant and equipment		98,597	158,644
Exploration and evaluation expenditure	3	12,631,848	18,349,689
<b>Total Non-current Assets</b>		<b>12,730,445</b>	<b>18,508,333</b>
<b>TOTAL ASSETS</b>		<b>12,810,975</b>	<b>18,903,092</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,585,159	1,679,697
Interest bearing liabilities		4,254,191	3,627,710
<b>Total Current Liabilities</b>		<b>5,839,350</b>	<b>5,307,407</b>
<b>TOTAL LIABILITIES</b>		<b>5,839,350</b>	<b>5,307,407</b>
<b>NET ASSETS</b>		<b>6,971,625</b>	<b>13,595,685</b>
<b>EQUITY</b>			
Issued capital	4	20,785,216	20,785,216
Reserves		2,919,128	2,120,861
Accumulated losses		(14,862,258)	(7,774,739)
Parent interest		8,842,086	15,131,338
Non-controlling interest		(1,870,461)	(1,535,653)
<b>TOTAL EQUITY</b>		<b>6,971,625</b>	<b>13,595,685</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the half-year ended 31 December 2014

Consolidated	Issued capital	Accumulated losses	Option reserve	Foreign currency translation reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	<b>20,328,656</b>	<b>(4,197,258)</b>	<b>1,161,244</b>	<b>738,762</b>	<b>(1,209,184)</b>	<b>16,822,220</b>
Loss for the half-year	-	(1,119,242)	-	-	(95,936)	(1,215,178)
Other comprehensive income	-	-	-	157,914	(40,269)	117,645
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(1,119,242)</b>	<b>-</b>	<b>157,914</b>	<b>(136,205)</b>	<b>(1,097,533)</b>
<b>Balance at 31 December 2013</b>	<b>20,328,656</b>	<b>(5,316,500)</b>	<b>1,161,244</b>	<b>896,676</b>	<b>(1,345,389)</b>	<b>15,724,687</b>
<b>Balance at 1 July 2014</b>	<b>20,785,216</b>	<b>(7,774,739)</b>	<b>1,557,813</b>	<b>563,048</b>	<b>(1,535,653)</b>	<b>13,595,685</b>
Loss for the half-year	-	(7,087,519)	-	-	(85,919)	(7,173,438)
Other comprehensive income	-	-	-	798,267	(248,889)	549,378
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(7,087,519)</b>	<b>-</b>	<b>798,267</b>	<b>(334,808)</b>	<b>(6,624,060)</b>
<b>Balance at 31 December 2014</b>	<b>20,785,216</b>	<b>(14,862,258)</b>	<b>1,557,813</b>	<b>1,361,315</b>	<b>(1,870,461)</b>	<b>6,971,625</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Statement of Cash Flows**  
**For the half-year ended 31 December 2014**

	<b>Consolidated</b>	
	<b>Half Year 31 Dec 2014</b>	<b>Half Year 31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(25,350)	(749,222)
Interest and other receipts	-	2,185
<b>Net cash (used in) operating activities</b>	<b>(25,350)</b>	<b>(747,037)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration and evaluation	(68,009)	(716,670)
Purchase of plant and equipment	-	(45,096)
Proceeds from disposal of plant and equipment	63,740	19,156
<b>Net cash (used in) investing activities</b>	<b>(4,269)</b>	<b>(742,610)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	1,249,980
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>1,249,980</b>
<b>Net (decrease) in cash held</b>	<b>(29,619)</b>	<b>(239,667)</b>
Cash and cash equivalents at the beginning of the half-year	61,785	329,346
<b>Cash and cash equivalents at end of half-year</b>	<b>32,166</b>	<b>89,679</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## **Notes to the Financial Statements**

**For the half-year ended 31 December 2014**

### **Note 1 – Summary of Significant Accounting Policies**

#### **Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Black Mountain Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

#### **New and Revised Accounting Standards**

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

## Notes to the Financial Statements

### For the half-year ended 31 December 2014

#### Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$7,173,438 and had net cash outflows from operating and investing activities of \$25,350 and \$4,269 respectively for the half-year ended 31 December 2014. As at that date, the consolidated entity had net current liabilities of \$5,758,820.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The company plans to issue additional shares in the next 12 months in accordance with Corporation Act 2001, which has proven to be successful in the past;
- As disclosed in the statement of financial position, the consolidated entity has interest bearing liabilities of \$4,254,191 which are classified as current as at 31 December 2014. The directors believe that the company will be able to negotiate repayment terms of these loans in its favour, when they become due and payable;
- The consolidated entity has received confirmation from related party creditors amounting to \$399,891 as at 31 December 2014, to defer the payment of their debts until the consolidated entity has sufficient cash on hand and the ability to make repayment;
- The Company has established a number of strategies to obtain the greatest benefit from its exploration assets, including the potential development and commercial exploitation of some of the tenements disclosed in Note 3 to generate cash inflows; and
- The ability to scale down its operations in order to curtail expenditure, in the event insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

If the consolidated entity is unable to raise further funding or successfully extend the repayment terms of the interest bearing liabilities, there would be a material uncertainty as to whether the consolidated entity will 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.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

## Notes to the Financial Statements

### For the half-year ended 31 December 2014

#### Note 2 – Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Company does not have any customers, operates only in the mineral exploration industry within the geographical segments of Australia and USA.

	Australia	USA	Total
	\$	\$	\$
<b>31 December 2014</b>			
<b>Revenue</b>			
Other revenues from external customers	-	-	-
Total segment revenue	-	-	-
<b>Result</b>			
Segment result	(571,116)	(6,602,322)	(7,173,438)
Interest revenue	-	-	-
<b>Assets and Liabilities at 31 December 2014</b>			
Segment assets			
- Exploration expenditure	-	12,631,848	12,631,848
- Plant and equipment	-	98,597	98,597
- Cash and cash equivalents	1,216	30,950	32,166
- Other assets	9,747	-	9,747
- Trade and other receivables	8,842	29,775	38,617
Total assets as per the statement of financial position	19,805	12,791,170	12,810,975
Segment liabilities			
- Trade and other payables	1,405,471	179,688	1,585,159
- Interest bearing liabilities	4,254,191	-	4,254,191
Total liabilities as per the statement of financial position	5,659,662	179,688	5,839,350
<b>31 December 2013</b>			
<b>Revenue</b>			
Other revenues from external customers	-	-	-
Total segment revenue	-	-	-
<b>Result</b>			
Segment result	(895,396)	(319,782)	(1,215,178)
Interest revenue	2,073	112	2,185
Depreciation expense	-	106,822	106,822

## Notes to the Financial Statements

For the half-year ended 31 December 2014

### Note 2 – Segment Information (continued)

	Australia	USA	Total
	\$	\$	\$
<b>Assets and Liabilities at 31 December 2013</b>			
Segment assets			
- Exploration expenditure	-	18,854,862	18,854,862
- Plant and equipment	-	927,411	927,411
- Cash and cash equivalents	35,580	54,099	89,679
- Other assets	19,013	-	19,013
- Trade and other receivables	121,580	190,411	311,991
	<hr/>	<hr/>	<hr/>
Total assets as per the statement of financial position	176,173	20,026,783	20,202,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities			
- Trade and other payables	724,440	423,869	1,148,309
- Borrowings	3,329,960	-	3,329,960
	<hr/>	<hr/>	<hr/>
Total liabilities as per the statement of financial position	4,054,400	423,869	4,478,269
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### Note 3 – Deferred exploration expenditure

	31 December	30 June
	2014	2014
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
<b>Deferred exploration and evaluation</b>	12,631,848	18,349,689
	<hr/> <hr/>	<hr/> <hr/>
<b>Movement:</b>		
Balance at beginning of half-year	18,349,689	
Exploration and evaluation expenditure incurred	68,008	
Impairment of exploration and evaluation expenditure	(6,315,924)	
Effects of foreign currency translation	530,075	
	<hr/>	
Balance at end of half-year	<b>12,631,848</b>	
	<hr/> <hr/>	

The carrying value of the consolidated entity's interest in exploration expenditure is dependent upon the continuance of the consolidated entity's right to tenure of the areas of interest, results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

## Notes to the Financial Statements

### For the half-year ended 31 December 2014

	31 December 2014 \$	30 June 2014 \$
<b>Note 4 – Issued Capital</b>		
<b>Issued Capital</b>		
Ordinary shares – fully paid	15,947,716	15,947,716
Performance shares - fully paid	4,837,500	4,837,500
	20,785,216	20,785,216
	20,785,216	20,785,216

(a) Movements for the period:

	No of Shares	\$
<i>Ordinary shares</i>		
Opening Balance	94,625,361	15,947,716
Closing Balance	94,625,361	15,947,716
<i>Performance shares</i>		
Opening Balance	25,000,000	4,837,500
Closing Balance	25,000,000	4,837,500

### Note 5 – Dividends

No dividend has been declared or paid during the half-year ended 31 December 2014 (2013: Nil).

### Note 6 – Events subsequent to Reporting Date

There have been no subsequent events since the half year reporting date.

### Note 7 –Contingent Liabilities

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



## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
  - (b) 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 then ended.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.



Executive Chairman  
Peter Landau

Dated this 16 March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
BLACK MOUNTAIN RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Black Mountain Resources Limited which comprises the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 Black Mountain Resources 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.

### *Independence*

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 Mountain Resources 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 Mountain Resources Limited is not in accordance with the *Corporations Act 2001* including:

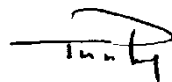
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Emphasis of Matter*

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$7,173,438 and had net cash outflows from operating and investing activities of \$25,350 and \$4,269 respectively for the half-year ended 31 December 2014. As at that date, the consolidated entity had net current liabilities of \$5,758,820. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 16 March 2015