

Gullewa Limited

ABN 30 007 547 480

Interim Report – 31 December 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2014.

Directors

The following persons were directors of Gullewa Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Howland-Rose - Chairman
David Deitz
Eddie Lee

Principal activities

The continuing principal activity of the consolidated entity during the financial half-year were exploration and mining, investments in equities and property.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$588,230 (31 December 2013: \$1,092,073).

Allegiance Coal Limited ('Allegiance') – Gullewa has 57.86% holding

Joint Venture negotiations culminated in the signing of a Joint Venture with Japan Oil, Gas and Metals National Corporation (JOGMEC) for the Kilmain project. On 29 August, 2014 the Australian Government's Federal Investment Review Board approved of the Joint Exploration Agreement ("JEA"), in which JOGMEC will provide up to \$3 million of exploration expenditure to Allegiance Coal over a 3 year period for the Kilmain Coal Project in three stages.

JOGMEC, a Japanese government owned corporation, will earn up to a 40% economic interest in the Kilmain Project and has the right to assign that interest to a Japanese nominee company in the future, in order to progress the project to development.

Site works on Kilmain undertaken during the period included ground magnetometer survey, seismic surveys, the drilling of three partially cored holes and core sent for analysis.

The consolidated entity maintains focus on cost control and cash preservation.

During the period the decision was made to relinquish all tenements other than those associated with three projects i.e. Kilmain (EPC 1298 and EPC 1917), Back Creek (EPC 1297) and Calen (EPC 1631) projects.

Tenements now being relinquished are Townsville (EPC 1492), Townsville Extended (EPC 1617), Mt Marrow (EPC 2374), Connemarra (EPC 1296) and Boldon (EPC 1820). These join the tenements already being relinquished i.e. Pinetree (EPC 1875), Normanby (EPC 1874), Mobs Creek (EPC 2309), Cedar Creek (EPC 2278), Lochaber (EPC 1672) and Mintoale (MDL 138) tenements.

Central Iron Ore Limited ('CIO') – Gullewa has 36.10% holding

Gold

South Darlot - The South Darlot Gold Project area is approximately 320km North West of Kalgoorlie and 5km west of Barrick Gold Corporation's Darlot Mine.

Barrick Joint Venture - The company has earned a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV.

British King - On December 02, 2014, CIO announced that it has completed the AUD\$1.1 million sale of its British King Gold Mine in Western Australia to BK Gold Mines Pty Ltd.

The consideration payable for the acquisition of the Project included an initial AUD\$250,000 payment with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones as follows:

- Tranche 1 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold
- Tranche 2: 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold
- Tranche 3: 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold

Eureka Gold - All quarterly Health and Safety Executive site inspection and annual reporting obligations have been completed.

There are ongoing discussions for sale of the Eureka Gold Project.

Iron Ore

Yilgarn Iron Ore Project ('IOP') - The Yilgarn IOP is considered highly prospective, given its history of large-scale iron ore production, with the Cliffs Natural Resources Ltd-owned Koolyanobbing operation (formerly operated by Portman Limited) currently producing at a rate of approximately 8Mtpa of Direct Shipping Ore ('DSO'). All annual reporting obligations have been completed. Some tenements are in the process of being relinquished.

Dandaloo Project – New South Wales

The tenements comprising the Dandaloo project were relinquished.

Hydromining Coal Australia Pty Ltd ('HCA') - Gullewa has 50% holding

No further activities were undertaken during the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

David Deitz
Director
16 March 2015



SCS AUDIT & CORPORATE SERVICES PTY LTD

ABN 99 165 260 444

DECLARATION OF INDEPENDENCE BY BRIAN TAYLOR TO THE DIRECTORS OF GULLEWA LIMITED

As lead auditor for the review of Gullewa 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 the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gullewa Limited and the entities it controlled during the period.

Brian Taylor
Director


SCS Audit & Corporate Services Pty Ltd
Sydney, 16 March 2015

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General Information

The financial report covers Gullewa Limited as a consolidated entity consisting of Gullewa Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gullewa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is :

Level 2
49-51 York Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 16 March 2014. The directors have the power to amend and reissue the financial report.

Gullewa Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

		Consolidated	
	Note	31 Dec 2014	31 Dec 2013
		\$	\$
Revenue	3	113,684	2,279
Other income	4	87,982	122,894
Expenses			
Administration expenses		(277,929)	(279,169)
Employee benefits expense	5	(522,259)	(507,948)
Depreciation and amortisation expense	5	(28,005)	(17,563)
Impairment of assets	5	(252,071)	(743,509)
Share of loss of associates accounted for using the equity method		(39,589)	(32,969)
Other expenses		-	(20,501)
Finance costs	5	(72,820)	(11,187)
Loss before income tax benefit		(991,007)	(1,487,673)
Income tax benefit		402,777	395,600
Loss after income tax benefit for the half-year		(588,230)	(1,092,073)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(588,230)	(1,092,073)
Loss for the half-year is attributable to :			
Non-controlling interest		(39,887)	(272,710)
Owners of Gullewa Limited		(548,343)	(819,363)
		(588,230)	(1,092,073)
		Cents	Cents
Basic earnings per share		(0.39)	(0.55)
Diluted earnings per share		(0.39)	(0.55)

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

Gullewa Limited
Statement of financial position
As at 31 December 2014

		Consolidated	
		31 Dec 2014	30 Jun 14
	Note	\$	\$
Current assets			
Cash and cash equivalents	6	4,358,330	5,293,771
Trade and other receivables		1,067,336	597,443
Other financial assets	7	180,511	186,808
Total current assets		<u>5,606,177</u>	<u>6,078,022</u>
Non-current assets			
Investments accounted for using the equity method	8	118,022	157,611
Other financial assets		27,520	27,520
Property, plant and equipment		21,419	41,975
Intangibles		38,682	44,803
Exploration and evaluation	9	3,735,447	3,905,043
Total non-current assets		<u>3,941,090</u>	<u>4,176,952</u>
Total assets		<u>9,547,267</u>	<u>10,254,974</u>
Liabilities			
Current liabilities			
Trade and other payables		206,615	202,505
Borrowings	11	348,340	539,821
Employee benefits		6,394	-
Total liabilities		<u>561,349</u>	<u>742,326</u>
Net assets		<u>8,985,918</u>	<u>9,512,648</u>
Equity			
Issued capital	10	21,294,326	21,294,326
Reserves		1,336,148	1,274,648
Accumulated losses		(15,319,408)	(14,771,065)
Equity attributable to the owners of Gullewa Limited		<u>7,311,066</u>	<u>7,797,909</u>
Non-controlling interest		1,674,852	1,714,739
Total equity		<u>8,985,918</u>	<u>9,512,648</u>

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

Gullewa Limited
Statement of changes in equity
For the half-year ended 31 December 2014

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non- controlling interest \$	Total Equity \$
Consolidated					
Balance at 1 July 2013	21,294,326	1,098,917	(12,275,123)	2,057,581	12,175,701
Loss after income tax benefit for the half-year	-	-	(2,495,942)	(368,758)	(2,864,700)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,495,942)	(368,758)	(2,864,700)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	175,731	-	25,916	201,647
Balance at 31 June 2014	21,294,326	1,274,648	(14,771,065)	1,714,739	9,512,648
Consolidated					
Balance at 1 July 2014	21,294,326	1,274,648	(14,771,065)	1,714,739	9,512,648
Loss after income tax benefit for the half-year	-	-	(548,343)	(39,887)	(588,230)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(548,343)	(39,887)	(588,230)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	61,500	-	-	61,500
Balance at 31 December 2014	21,294,326	1,336,148	(15,319,408)	1,674,852	8,985,918

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

Gullewa Limited
Statement of cash flows
For the half-year ended 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	31 Dec 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,962,810)	(730,014)
Interest received		119,168	122,894
Other revenue		127,124	2,279
Interest and other finance costs paid		-	(186)
Income taxes refunded		385,012	395,600
		<hr/>	<hr/>
Net cash used in operating activities		(1,331,506)	(209,427)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,404)	-
Payments for intangibles		-	-
Payments for exploration and evaluation		(431,464)	(222,257)
Payments for other financial assets		(2,328)	(1,562)
Proceeds from sale of investment property		(180,000)	-
Proceeds from sale of property, plant and equipment		-	20,000
		<hr/>	<hr/>
Net cash used in investing activities		(615,196)	(203,819)
Cash flows from financing activities			
Repayment of borrowing		(173,039)	-
Contribution from JOGMEC Joint Venture		1,164,901	-
		<hr/>	<hr/>
Net cash from financing activities		991,862	-
Net decrease in cash and cash equivalents		(954,840)	(413,246)
Cash and cash equivalents at the beginning of the financial half-year		5,313,170	6,259,623
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year		4,358,330	5,846,377
		<hr/>	<hr/>

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

Gullewa Limited
Notes to the financial statements
For the half-year ended 31 December 2014

Note 1 : Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards 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 annual financial statements of the Company for the year ended 30 June 2014 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by directors on 16 March 2015.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

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.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

For the half-year ended 31 December 2014, the consolidated entity incurred a loss from continuing operations after tax of \$588,230 (31 December 2013: \$1,092,073). In the same period the consolidated entity had operating cash outflows of \$1,331,506 (31 December 2013: cash outflow of \$209,427) and outflows due to investing activities of \$615,196 (31 December 2013: \$203,819).

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they fall due.

The consolidated entity has commitments for exploration and evaluation for the next three years. Due to current market conditions the company will not commit to all of the minimum expenditure for the next three years and this has resulted in the impairment expense in the current financial period.

No adjustments have been made relating to recoverability and classification of other asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 2 : Operating segments

The operating segments are identified by management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the CODM for the management and performance of these reportable segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Exploration and evaluation	The consolidated entity is involved in exploration and evaluation for minerals.
Property development	The consolidated entity acquires investment properties with a view to capital appreciation and derivation of rental income.
Investments	The consolidated entity invests in shares in listed and unlisted entities.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Gullewa Limited
Notes to the financial statements
31 December 2014

Note 2 : Operating segments (continued)

	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
Consolidated – Dec 2014					
Revenue				113,684	113,684
Other revenue				-	-
Total revenue				113,684	113,684
EBITDA	-	-	(5,133)	(834,644)	(839,777)
Depreciation and amortisation					(28,005)
Impairment of assets					(252,071)
Interest income					87,982
Finance costs					(72,820)
Loss before income tax benefit					(991,007)
Income tax benefit					402,777
Loss after income tax benefit					(588,230)
Assets					
Segment costs	3,735,447	-	394,061	5,417,759	9,547,267
Total assets					9,547,267
Liabilities					
Segment liabilities	206,615	-	-	354,734	561,349
Total liabilities					561,349

Gullewa Limited
Notes to the financial statements
31 December 2014

Note 2 : Operating segments (continued)

	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
Consolidated – Dec 2013					
Revenue					
Other revenue	29	-	-	2,250	2,279
Total revenue	29	-	-	2,250	2,279
EBITDA	(349,293)	(2,971)	(326)	(485,718)	(838,308)
Depreciation and amortisation					(17,563)
Impairment of assets					(743,509)
Interest income					122,894
Finance costs					(11,187)
Loss before income tax benefit					(1,487,673)
Income tax benefit					395,600
Loss after income tax benefit					(1,092,073)
Assets					
Segment assets	3,905,043	(4,124)	1,619,098	6,513,640	12,033,662
Total assets					12,033,662
Liabilities					
Segment liabilities	688,591	175	-	59,621	748,387
Total liabilities					748,387

Note 3 : Revenue

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Consultant fees	91,409	1,500
Management fees	-	750
Other revenue	22,275	29
Revenue	113,684	2,279

Note 4 : Other income

Interest income	87,982	122,894
Other income	87,982	122,894

Gullewa Limited
Notes to the financial statements
31 December 2014

Note 5 : Expenses

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$	\$
Loss before income tax includes the following specific expenses :		
<i>Depreciation</i>		
Leasehold improvements	241	119
Plant and equipment	20,702	10,014
Motor vehicles	3,947	4,315
	<hr/>	<hr/>
Total depreciation	24,890	14,448
	<hr/>	<hr/>
<i>Amortisation</i>		
Computer software	3,115	3,115
	<hr/>	<hr/>
Total depreciation and amortisation	28,005	17,563
	<hr/>	<hr/>
<i>Impairment</i>		
Exploration and evaluation	252,071	743,509
	<hr/>	<hr/>
<i>Finance costs</i>		
Interest and finance charges paid/payable	72,820	11,187
	<hr/>	<hr/>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	1,125	12,926
	<hr/>	<hr/>
<i>Employee benefits expenses</i>		
Defined contribution superannuation expense	34,772	15,732
Share-based payments expense	61,500	201,647
Other wages and salaries	425,987	290,569
	<hr/>	<hr/>
Total employee benefits expense	522,259	507,948
	<hr/>	<hr/>

Note 6 : Current assets – cash and cash equivalents

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Cash on hand	-	1,100
Cash at bank	1,898,590	2,400,785
Cash on deposit	2,459,740	2,981,886
	<hr/>	<hr/>
	4,358,330	5,293,771
	<hr/>	<hr/>

Note 7 : Current assets – other financial assets

The company has a 70 percent interest in a joint venture which exchanged contracts to purchase a property for subdivision. A deposit was paid in the half-year.

Note 8 : Non current assets - inventories accounted for using equity method

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Investment in associates	118,022	157,611

Investments in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below :

Name	Activity	Ownership	
		Dec 2014	Jun 2014
Our Field Pty Ltd	Property development	50.00%	50.00%
Central Iron Ore Limited	Mineral exploration	36.10%	36.10%

* The shares in Our Field Pty Ltd are held by David Deitz (Chief Executive Officer) on behalf of Gullewa Limited.

Note 8 : Non-current assets – exploration and evaluation

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Exploration, evaluation and development assets – at cost	7,301,720	6,404,924
Less : impairment	(3,566,273)	(2,499,881)
	<u>3,735,447</u>	<u>3,905,043</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Note 8 : Non-current assets – exploration and evaluation

	Exploration, evaluation, development \$	Total \$
Consolidated		
Balance at 1 July 2013	5,555,334	5,555,334
Additions	315,903	315,903
Impairment of assets	(1,966,194)	(1,966,194)
	<hr/>	<hr/>
Balance at 30 June 2014	3,905,043	3,905,043
	<hr/>	<hr/>
Balance at 1 July 2014	3,905,043	3,905,043
Additions	896,796	896,796
Impairment of assets	(1,066,392)	(1,066,392)
	<hr/>	<hr/>
Balance at 31 December 2014	3,735,447	3,735,447
	<hr/>	<hr/>

The impairment expense during the current period relates to tenements that have been relinquished or have been written down to recoverable amount.

Note :

The company has entered into a joint venture agreement to acquire land for subdivision and resale.

Note 9 : Equity issued capital

	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$	\$
Ordinary shares fully paid	21,294,326	21,194,326
	<hr/>	<hr/>

There are not movements in the issued capital of the company in either the current or prior half-years.

Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Gullewa Limited
Notes to the financial statements
31 December 2014

Note 10 : Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Consolidated – 31 Dec 2014				
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	44,219			44,219
Total assets	44,219			44,219

Consolidated – 30 Jun 2014

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	54,958			54,958
Total assets	54,958			54,958

There were no transfers between levels during the financial half-year.

Gullewa Limited
Notes to the financial statements
31 December 2014

Note 11 : Related party transactions

Parent entity

Gullewa Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2014	31 Dec 2014
	\$	\$
Other income:		
Management fees from associate - Central Iron Ore Limited	22,275	1,500
Payment for other expenses:		
Consulting and administration fees paid to other related party, C Randall & Associates Pty. Limited	6,500	2,032
Other transactions:		
Wages paid to Mendel Deitz, son of David Deitz, a director of the parent entity.	15,034	17,886
Directors fees paid to Anthony Howland-Rose, a director of the parent entity.	-	46,000
Directors fees paid to David Deitz, a director of the parent entity.	71,175	81,035
Directors fees paid to Eddie Lee, a director of the parent entity.	19,000	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables:	-	-
Trade receivables from other related party		
Current payables:		
Consulting and administration fees payable to other related party, C Randall & Associates Pty Limited	-	-

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Current receivables		
Loan to David Deitz, a director of the parent entity	37,472	28,357
Current borrowings		
Loan from C Randall & Associates Pty Limited	348,340	535,501

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 12 : Events after the reporting period

As referred to in Note 7 the joint venture settled on the property on 13 March 2015. The purchase price was \$2,636,000 of which Gullewa Limited's current contribution by way of a loan is \$718,224 and is entitled to 70 percent of the joint venture.

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13 : Share-based payments

Employee Option Scheme

Details of the Employee Option Scheme are disclosed in the annual financial report

Set out below are summaries of options granted under the plans:

December 2014

Grant date	Expiry date	Exercise Price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/03/2011	06/03/2016	\$0.2230	4,475,000	-	-	-	4,475,000
16/05/2011	15/05/2016	\$0.2230	1,000,000	-	-	-	1,000,000
16/05/2012	16/05/2017	\$0.1000	1,300,000	-	-	-	,1,300,000
04/07/2012	04/07/2017	\$0.1000	5,000,000	-	-	-	5,000,000
05/12/2013	27/11/2018	\$0.0435	10,900,000	-	-	-	10,900,000
			22,675,000	-	-	-	22,675,000

Gullewa Limited
Directors' Declaration
31 December 2014

- (a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the directors

David Deitz
Director
16 March 2015
Sydney



Independent Auditor's Review Report to the members of Gullewa Limited

We have reviewed the accompanying half-year financial report of Gullewa Limited, which comprises the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a statement of accounting policies and selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year 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 Gullewa Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gullewa 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 Gullewa 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.

SCS Audit & Corporate Services Pty Ltd

Brian Taylor
Director

Sydney, 16 March 2015