



ABN 11 120 974 567

**Interim Financial report
for the half-year ended
31 December 2014**

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Corporate Directory

DIRECTORS

Peter Hunt
(Non-Executive Chairman)

Dr Michael Ruane
(Director)

Robin Dean
(Non-Executive Director)

Geoff Baker
(Non-Executive Director)

Min Yang
(Non-Executive Director)

COMPANY SECRETARY

Bianca Taveira

PRINCIPAL OFFICE

159 Stirling Highway
Nedlands WA 6009
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Facsimile: (08) 9386 9473
Email: admin@metaliko.com.au
Web: www.metaliko.com.au

REGISTERED OFFICE

159 Stirling Highway
Nedlands WA 6009

AUDITORS

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

STOCK EXCHANGE LISTING

Australian Stock Exchange
Code: MKO

Directors' Report

The Directors of Metaliko Resources Limited ("Metaliko") submit herewith the financial report 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:

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

Peter Hunt
Dr Michael Ruane
Robin Dean
Geoff Baker
Min Yang

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Operating Results

The operating loss of the Company for the six months amounted to \$817,422 (December 2013: Loss of \$187,299).

Review of Operations/Exploration Activity

Following a capital raising of \$5.5M in August 2014, the Company acquired the Bronzewing Gold Project in June 2014 from Navigator Resources Ltd by payment of \$3.0M in cash and issue of 33.3M MKO shares. The settlement was finalised late in August 2014. The Bronzewing Project is located in the Yandal Gold belt of WA and has produced over 3 million ounces of gold in the past.

This is a major asset and includes a 2.3mtpa gold plant, airstrip, 200 man camp, offices, workshops, haul roads and bore fields. In addition to this infrastructure, Metaliko acquired 730km² of prospective tenements in the Yandal greenstone belt.

The acquisition was assisted by the contribution of ~\$3 Million by ActivEx Limited (ASX: AIV) and several parties introduced by AIV and ASF Group Limited. New Directors Ms Min Yang and Mr Geoff Baker were appointed to the Metaliko Board to represent the new investors in the Company. The Company welcomes the new Directors and the investors introduced.

Since acquisition, Metaliko has been assessing the extensive database which covered Bronzewing exploration activities over the last 20 years.

The review in progress is addressing the JORC compliant resource status of the significant gold Resources and Reserves stated by previous (recent) owners of the project, this will allow prioritisation of the targets for immediate exploration effort.

The first of these released recently by Metaliko was the Resource of 700,000 tonnes @ 2.17g/t Au (48,800 ounces) at the Corboys prospect 40km north of the Bronzewing Mill.

Several Programs of Works (POWs) have been lodged and approved by the Department of Mines and Petroleum covering several very promising gold and nickel targets within the Bronzewing tenements. The first drilling program on the Mandeline nickel prospect was undertaken in December 2014. While the results were not as encouraging as some previously reported for the prospect they warrant follow up.

Directors' Report

Review of Operations/Exploration Activity continued

Metaliko has also been approached by parties holding significant gold resources within reasonable haulage distance from the Bronzewing Mill to discuss Toll treatment or Joint Venture development of the available resources. Metaliko is hoping that favourable outcomes will result from these negotiations bringing an early resumption of milling activities at the Bronzewing site.

Exploration at Metaliko's projects in the Kalgoorlie region have been subdued during the year but encouraging.

Recent drilling at the Anthill prospect provided further encouraging gold intercepts backing up earlier exploration which resulted in resource of 5Mt at approximately 1g/t for 160,000 ounces of contained gold at this prospect. Results included 12 metres @ 1.67g/t, 15 metres @ 1.60g/t, 9 metres @ 2.14g/t and 12 metres @ 2.82g/t.

The Company has received several expressions of interest in purchasing or joint development of the Anthill resource. These are currently being considered.

Tidy up drilling and resource review was also undertaken during the year at the Goongarrie Lady (GGL) gold project. The current resource of 250,000 tonnes @ 2.87g/t for 21,000oz at GGL remains open at depth and to the south. A new pit design and optimisation has recently been completed with a view to mining the resource in the near term if satisfactory Toll Treatment arrangements can be finalised. Further exploration will be undertaken if the initial mining campaign provides a positive outcome.

Following the Bronzewing acquisition, the Company is seeking partners for exploration and development of its large tenement portfolio in the Kalgoorlie area. Negotiations are in progress.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Metaliko Resources Ltd. Mr O'Farrell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Metaliko Resources Limited advises that resource parameters for the Corboys Deposit in this report are based on information compiled by Mr Simon Coxhell of CossRocks. Mr Coxhell is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant Metaliko Resources Limited. This information was prepared and disclosed under the JORC Code 2012. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, 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 Coxhell consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Subsequent Events

There are no matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the group in future financial periods.

Directors' Report

Dividends Paid or Recommended

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

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors



Dr Michael Ruane
Director

16 March 2015

Auditor's Independence Declaration



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P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Metaliko Resources Limited
159 Stirling Highway
Nedlands WA 6009

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2014 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'GRS', followed by a horizontal line.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 16 March 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Review Report



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Independent Review Report to the Members of Metaliko Resources Limited

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Metaliko Resources Limited for the half-year ended 31 December 2014.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Metaliko Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Metaliko Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Rothsay



Graham R Swan
Partner

Dated 16 March 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes set out on pages 8 to 14 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 company's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations and its cash flow, for the half-year ended on that date.
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.



Dr Michael Ruane
Director

Date: 16 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2014

	NOTE	Half-year ended 31 Dec 2014 \$	Half-year ended 31 Dec 2013 \$
Revenue			
Interest received	2	24,527	15,286
Tenement proceeds		-	25,000
Gain on sale of investments		11,659	-
Other income		15,000	16,653
Total Revenue		51,186	56,939
Expenses			
Employee and contractors expenses		(109,261)	(110,189)
Occupancy expenses		(23,042)	(19,911)
Administration expenses		(71,387)	(30,542)
Consultants expenses and professional costs		(63,856)	(47,347)
Depreciation		(304,347)	(4,466)
Travel expenses		(509)	(265)
Capitalised exploration and evaluation expenditure written off		-	(29,000)
Exploration expenses		(294,383)	-
Other expenses		(1,823)	(2,518)
Total expenses		(868,608)	(244,238)
(Loss)/Profit from continuing operations before income tax		(817,422)	(187,299)
Income tax (expense)/benefit		-	-
(Loss)/Profit for the period		(817,422)	(187,299)
Other comprehensive income/(loss) for the period		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
(Loss)/Profit for the period and total comprehensive income/(loss) attributable to owners of Metaliko Resources Ltd		(817,422)	(187,299)
Loss per share attributable to equity holders of the company:			
Basic loss (cents per share)		(0.29)	(0.20)

Diluted earnings per share is not disclosed as the company incurred a loss and the options are not deemed to be dilutive.

Notes to the financial statements are included on pages 12 to 14.

Consolidated Statement of Financial Position as at 31 December 2014

	NOTE	31 Dec 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		998,127	60,118
Receivables		77,965	196,873
Other assets		275,425	554,423
TOTAL CURRENT ASSETS		<u>1,351,517</u>	<u>811,414</u>
NON CURRENT ASSETS			
Property, plant & equipment		2,667,847	2,972,194
Capitalised exploration & evaluation expenditure costs	4	7,905,317	6,741,936
Share investments		-	25,000
TOTAL NON CURRENT ASSETS		<u>10,573,164</u>	<u>9,739,130</u>
TOTAL ASSETS		<u>11,924,681</u>	<u>10,550,544</u>
CURRENT LIABILITIES			
Trade and other payables		375,809	283,109
Borrowings	5	558,860	3,558,860
TOTAL CURRENT LIABILITIES		<u>934,669</u>	<u>3,841,969</u>
TOTAL LIABILITIES		<u>934,669</u>	<u>3,841,969</u>
NET ASSETS/(LIABILITIES)		<u>10,990,012</u>	<u>6,708,575</u>
EQUITY			
Issued capital	3	15,459,802	10,360,943
Reserves		1,477,861	1,477,861
Accumulated losses		(5,947,651)	(5,130,229)
TOTAL EQUITY		<u>10,990,012</u>	<u>6,708,575</u>

Notes to the financial statements are included on pages 12 to 14.

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2014

	Attributable to equity holders			
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
For the period ended 31 December 2013				
At beginning of period	9,360,943	1,477,861	(4,778,064)	6,060,740
Other comprehensive income	-	-	-	-
Loss for the period	-	-	(187,299)	(187,299)
Total comprehensive income/(loss) for the period	-	-	(187,299)	(187,299)
Transactions with owners in their capacity as owners:				
Issue of shares and options during the period	-	-	-	-
Share issue costs	-	-	-	-
At end of period	9,360,943	1,477,861	(4,965,363)	5,873,441

	Attributable to equity holders			
	Ordinary Shares \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
For the period ended 31 December 2014				
At beginning of period	10,360,943	1,477,861	(5,130,229)	6,708,575
Other comprehensive income	-	-	-	-
Loss for the period	-	-	(817,422)	(817,422)
Total comprehensive income/(loss) for the period	-	-	(817,422)	(817,422)
Transactions with owners in their capacity as owners:				
Issue of shares and options during the period	5,440,867	-	-	5,440,867
Share issue costs	(342,008)	-	-	(342,008)
At end of period	15,459,802	1,477,861	(5,947,651)	10,990,012

Notes to the financial statements are included on pages 12 to 14.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2014

	Half-year ended 31 Dec 2014 \$	Half-year ended 31 Dec 2013 \$
Cash flows from operating activities		
Payments to suppliers and employees	(816,137)	(204,745)
Receipts from customers	160,000	74,929
Interest received	24,527	15,286
Net cash used in operating activities	(631,610)	(114,530)
Cash flows from investing activities		
Capitalised exploration and evaluation expenditure	(529,240)	(189,022)
Net cash used in investing activities	(529,240)	(189,022)
Cash flows from financing activities		
Proceeds from issues of ordinary shares	5,440,867	-
Share issue costs	(342,008)	-
Repayment of borrowings	(3,000,000)	-
Net cash provided by financing activities	2,098,859	-
Net increase/(decrease) in cash and cash equivalents	938,009	(303,552)
Cash and cash equivalents at the beginning of the half-year	60,118	989,945
Cash and cash equivalents at the end of the half-year	998,127	686,393

Notes to the financial statements are included on pages 12 to 14.

Notes to the Interim Consolidated Financial Statements for the half-year ended 31 December 2014

1. Basis of Accounting and Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 14 March 2015. The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2014.

It is also recommended that the half-year financial report be considered together with any public announcements made by Metaliko Resources Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

2. Loss for the half-year

The following income items are relevant in explaining the financial performance for the interim period:

	31 Dec 2014	31 Dec 2013
Interest revenue	<u>24,527</u>	<u>15,286</u>

3. Issued Capital

(a) Movements in share capital during the six months to 31 December 2014 were as follows:

		Issue Price	Fully Paid Ordinary Shares	\$
01/07/14	Opening balance		125,847,775	10,360,943
15/07/14	Issue of shares	\$0.03	44,288,861	1,328,666
24/07/14	Issue of shares	\$0.03	101,377,806	3,041,334
14/08/14	Issue of shares	\$0.03	35,695,552	1,070,867
	Shares issue costs		-	(342,008)
31/12/14	Closing balance		<u>307,209,994</u>	<u>15,459,802</u>

Notes to the Interim Financial Statements for the half-year ended 31 December 2014

3. Issued Capital (continued)

Movements in share capital during the six months to 31 December 2013 were as follows:

	Issue Price	Fully Paid Ordinary Shares	\$
01/07/13 Opening balance		92,514,442	9,360,943
31/12/13 Closing balance		92,514,442	9,360,943

(b) Options

Total unlisted options on issue as at 31 December 2014 is 450,000 exercisable at \$0.30 each on or before 6 December 2015.

There has been no movement in unlisted options issued since 30 June 2013.

4. Capitalised Exploration and Evaluation Expenditure

	31 Dec 2014 \$	30 Jun 2014 \$
Opening balance	6,741,936	5,018,653
Tenement acquisition – Bronzewing Gold Project	-	1,012,776
Current year expenditure	1,163,381	739,507
Expenditure written off	-	(29,000)
Closing balance	7,905,317	6,741,936

5. Borrowings

Loan – Related Party	558,860	3,558,860
Closing balance	558,860	3,558,860

The loan from related party represents a loan from Dr Michael Ruane and Tyson Resources Pty Ltd, a company controlled by Dr Ruane. The loan funds represents monies borrowed by the Group to acquire its interest in the Bronzewing Gold Project.

The loan is currently unsecured, interest free and repayable at call.

Notes to the Interim Financial Statements for the half-year ended 31 December 2014

6. Segment Reporting

The company operates predominantly in one industry and one geographical segment, being the mining industry within Australia. Exploration is undertaken in Western Australia. The operations in Western Australia relate to exploration for gold.

	31 Dec 2014	30 Jun 2014
	\$	\$
Revenue from external sources	-	-
Reportable segment loss	(598,730)	-
Reportable segment assets	10,811,149	10,222,604
Reportable segment liabilities	-	-
Reconciliation of reportable segment assets		
Reportable segment assets	10,811,149	10,222,604
Unallocated:		
Cash	998,127	60,118
Receivables	77,965	196,873
Other	424	29,423
Property, plant and equipment	37,016	41,526
Total assets	11,924,681	10,550,544
Reconciliation of reportable segment liabilities		
Reportable segment liabilities		
Unallocated:		
- Trade and other payables	(375,809)	(283,109)
- Borrowings	(558,860)	(3,558,860)
Total liabilities	(934,669)	(3,841,969)
Reconciliation of reportable segment loss		
Reportable segment loss	(598,730)	(4,000)
Other revenue	51,186	31,939
Unallocated expenses	(269,878)	(215,238)
Loss before tax	(817,422)	(187,299)

7. Commitment and Contingent Liabilities

There are no known contingent liabilities at reporting date.

There are no significant changes to the Company's commitment since 30 June 2014.

8. Events Subsequent To Reporting Date

There are no matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.