



# **REDCLIFFE RESOURCES LIMITED**

**AND CONTROLLED ENTITIES**

**ABN 63-010-856-014**

## **INTERIM FINANCIAL REPORT**

### **FOR THE HALF YEAR ENDED 30 JUNE 2015**

This interim financial report incorporating Appendix 4D is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

The information contained in this report is to be read in conjunction with Redcliffe Resources Limited's 2014 Annual Report and any announcements to the market by Redcliffe Resources Limited during the half-year period ending 30 June 2015

Appendix 4D.1	Current period:	1 January 2015 to 30 June 2015
	Prior Corresponding period:	1 January 2014 to 30 June 2014



## RESULTS FOR ANNOUNCEMENT TO THE MARKET

<b>Key Information</b>	<b>Half year Ended 30 June 2015</b>	<b>Half year Ended 30 June 2014</b>	<b>% Change</b>
Revenue from ordinary activities	954	1,943	50.89%
Profit / (Loss) after tax from ordinary activities attributable to members	(3,959,154)	(383,932)	931.21%
Profit / (Loss) attributable to members	(3,878,139)	(384,004)	-909.92%

## COMMENTARY ON THE RESULTS FOR THE PERIOD

The commentary on the results for the period is contained in the "Review of Operations" included within the Directors' Report

## NET TANGIBLE ASSETS PER SHARE

	<b>As at 30 June 2015</b>	<b>As at 31 December 2014</b>
Net tangible assets per share	\$ (0.001853)	\$ (0.002517)

## INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Material investments in associates and joint ventures are disclosed in the Directors' Report.



## DIRECTORS' REPORT

Your directors respectfully submit the financial report of the consolidated group for the half year ended 30 June 2015.

### DIRECTORS

The names of directors who held office during or since the end of the half-year:

Rodney David Foster  
 Joe Gehamopa Holloway  
 Bruce John McFarlane  
 Gary Herbert Ernest Goyne

## REVIEW OF OPERATIONS

The Redcliffe Gold Project in Western Australia became the sole operational focus with drilling undertaken at the Kelly Prospect under an Exploration Incentive Scheme (EIS), where the WA Department of Mines and Petroleum co-funded the cost of drilling (up to \$140,000).

Non-core projects were rationalised with several tenements relinquished in Western Australia. The Company also withdrew from the Mbesa project in Tanzania and the Manus Island Project in PNG.

### Redcliffe Gold Project

The Company's Redcliffe Gold Project ("RGP") is located 40-55kms north-east of Leonora and approximately 230kms north of Kalgoorlie in Western Australia. The Project consists of four granted mining leases and includes a considerable strike length of the Mertondale Shear Zone (MSZ), where the Company has estimated gold resources of 278,000 ounces in a number of deposits as outlined in the following table. The highly prospective area offers considerable scope for new discoveries and extension of existing deposits.

**Redcliffe Gold Project Resource Table (at 0.5g/t Au lower cut off)**

Deposit	Indicated			Inferred			Total		
	Tonnes	G/T	Ounces	Tonnes	G/T	Ounces	Tonnes	G/T	Ounces
GTS	707,000	2.46	56,100	684,000	1.56	34,400	1,391,000	2.02	90,500
Nambi	262,000	3.3	28,000	298,000	2.5	24,000	560,000	2.88	52,000
Redcliffe				560,000	1.7	31,000	560,000	1.7	31,000
West Lode				373,000	1.2	15,000	373,000	1.2	15,000
Mesa				95,000	1.5	5,000	95,000	1.5	5,000
GT North				64,000	1.53	3,200	64,000	1.5	3,200
Golden Spear				26,000	1.6	1,000	26,000	1.6	1,000
Kelly				2,412,000	1.04	80,400	2,412,000	1.04	80,400
<b>TOTAL</b>	<b>969,000</b>	<b>2.7</b>	<b>84,100</b>	<b>4,512,000</b>	<b>1.33</b>	<b>194,000</b>	<b>5,480,000</b>	<b>1.57</b>	<b>278,100</b>

Note: 1. Resource tonnes and ounces have been subjected to rounding of component elements. 2. Resource Estimations for Kelly, BMGS (2012); GTS and GTN, BMGS (2011). All other deposits – Coffey Mining (2008)



Scoping work on bringing the Golden Terrace South (GTS) deposit into production by an initial open pit was reviewed and updated utilising improving gold price inputs. Favourable outcomes are indicated, but are largely dependent on accessing suitable toll milling facilities on reasonable terms.

The principal field programme for the first half of 2015 was RC and diamond core drilling on the Kelly prospect. The WA DMP EIS funding of further exploration was aimed at delineating a high grade feeder core to the Kelly mineralised system, which could improve the economic potential and open up development alternatives for the Region's gold deposits.

### **Kelly Prospect Deep Drilling Programme**

- Reverse circulation and diamond core drilling was conducted on the large Kelly gold mineralised system with co-funding through WA DMP EIS.
- The Kelly Supergene Deposit consists of 2.41 Mt @ 1.04g/t for 80,400 oz of near surface gold mineralisation with open pit potential.
- The drilling was designed to expand the knowledge of the large mineralised system at depth beneath previously defined resource.
- Drilling results included; 2m @ 10.0g/t (inc 1m @ 19.3g/t), 2m @ 7.4g/t (inc. 1m @ 11.1g/t), and 1m @ 4.85g/t from Diamond core.
- The EIS drilling programme was successful in identifying high grade primary gold mineralisation existing beneath the Kelly Gold deposit at depths to around 200 metres.
- Narrower high grade gold zones were interpreted to be the feeder zones of the shallower lower grade supergene zones of dispersed mineralisation.

The Company's Reverse Circulation (RC) and Diamond Core (DC) drilling programme completed during early 2015 consisted of a total of seven holes for 1,706m of RC drilling and 164m of DC drilling for a total of 1,870 metres.

The drilling was completed over 1,200m of strike at the Kelly Prospect, from Kelly South (6841260mN) to Kelly North (6842420mN) and has provided geological information from the primary zone of the large Kelly supergene gold blanket (2.41 Mt @ 1.04 g/t for 80,400 ounces).

At Kelly North, two notable gold intersections in RC holes drilled 80m apart; **2m @ 10.0g/t** (inc. **1m @ 19.3g/t**) from 238m in GTRC372 and **2m @ 7.4g/t** (inc. **1m @ 11.1g/t**) from 184m in GTRC374 were returned from the broad spaced drilling. The results compliment earlier high grade intercepts and represent the deepest intersections obtained to date at Kelly and may have further resource potential. (Full results were reported to ASX in the March 2015 and June 2015 Quarterly Operations Reviews).

The EIS drilling programme was successful in identifying high grade primary gold mineralisation existing beneath the Kelly Gold deposit at depths to around 200 metres. The interpreted, northerly striking, steeply dipping to sub-vertical high grade zone is open to the north and at depth.



## Forward Programme

Activities to advance RGP toward gold production are proposed to include:

- Updating resources to JORC 2012 compliant status;
- Updating the mining execution plan for Golden Terrace South;
- Further exploration and extensional drilling ; and
- Review of capital expenditure and funding requirements

**Rodney Foster**  
Chairman/CEO

*The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled and/or reviewed by Mr Rodney Foster, who is a geologist and member of the Australian Institute of Mining and Metallurgy. Mr Foster is Executive Chairman of the company. Mr Foster has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr Foster consents to the inclusion of this information in the form and context in which it appears in this report.*

## Auditor's Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 30 June 2015.

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

Rodney David FOSTER  
Chairman / CEO



**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF REDCLIFFE RESOURCES  
LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2015 there has been:

- a. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b. No contraventions of any applicable code of professional conduct in relation to the review.

Name of Firm        Sinton Spence Chartered Accountants

Address             PO Box 6861, Boroko, National Capital District, Papua New Guinea

Name of Partner    James Sinton Spence

Date                 11 September 2015

Signed

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2015

	CONSOLIDATED GROUP	
	30.06.2015	30.06.2014
Notes	\$	\$
<b>Revenue</b>		
Interest income	954	1,943
Depreciation and amortisation expense	(4,624)	(10,885)
Capitalised exploration expenses written off	(3,932,551)	-
Other expenses from ordinary activities	(22,933)	(374,989)
<b>Profit / (Loss) before Income Tax</b>	<b>(3,959,154)</b>	<b>(383,932)</b>
Income tax expense	-	-
<b>Profit / (Loss) from continuing operations</b>	<b>(3,959,154)</b>	<b>(383,932)</b>
<b>Profit / (Loss) for the period</b>	<b>2 (3,959,154)</b>	<b>(383,932)</b>
<b>Other comprehensive income</b>		
Exchange differences on translating foreign controlled entities	(10)	(2,497)
Rebates, Recoveries and refunds received	84,452	2,425
Net gain/(loss) on disposal of plant and equipment	(3,427)	-
Other comprehensive income for the period, net of tax	81,015	(72)
<b>Total comprehensive income for the period</b>	<b>(3,878,139)</b>	<b>(384,004)</b>
Profit / (Loss) attributable to:		
Members of the parent entity	(3,959,154)	(383,932)
	(3,959,154)	(383,932)
Total comprehensive income attributable to:		
Members of the parent entity	(3,878,139)	(384,004)
	(3,878,139)	(384,004)
<b>Earnings per share</b>		
From continuing and discontinued operations		
Basic earnings per share (cents)	(1.928)	(0.294)
Diluted earnings per share (cents)	(1.928)	(0.294)
From continuing operations		
Basic earnings per share (cents)	(1.928)	(0.294)
Diluted earnings per share (cents)	(1.928)	(0.294)



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	<b>CONSOLIDATED GROUP</b>	
	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	21,010	113,197
Trade and other receivables	33,374	48,617
<b>TOTAL CURRENT ASSETS</b>	<b>54,384</b>	<b>161,814</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	35,303	43,354
Other including ongoing exploration	3,594,461	7,313,489
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,629,764</b>	<b>7,356,843</b>
<b>TOTAL ASSETS</b>	<b>3,684,148</b>	<b>7,518,657</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	435,594	543,978
Other current financial liabilities	50,000	100,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>485,594</b>	<b>643,978</b>
<b>TOTAL LIABILITIES</b>	<b>485,594</b>	<b>643,978</b>
<b>NET ASSETS</b>	<b>3,198,554</b>	<b>6,874,679</b>
<b>EQUITY</b>		
Contributed equity	33,983,453	33,781,441
Reserves	517,594	517,604
Retained profit/(loss)	(31,302,493)	(27,424,366)
Parent entity interest	3,198,554	6,874,679
<b>TOTAL EQUITY</b>	<b>3,198,554</b>	<b>6,874,679</b>





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2015

<b>Consolidated Group</b>	<b>Ordinary Share Capital \$</b>	<b>Retained Earnings \$</b>	<b>Other Reserves \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 January 2014</b>	33,348,503	(26,372,204)	149,497	7,125,796
<b>Comprehensive income</b>				
Profit/(Loss) for the period	-	(383,932)	-	(383,932)
Other comprehensive income for the period	-	(72)	-	(72)
Market revaluation of other financial assets	-	-	20,000	20,000
Unrealised foreign currency loss	-	2,497	(2,497)	-
<b>Total comprehensive income for the period</b>	-	(381,507)	17,503	(364,003)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the period	274,825	-	-	274,825
<b>Balance at 30 June 2014</b>	33,623,328	(26,753,710)	167,000	7,036,618
<b>Balance at 1 January 2015</b>	33,781,441	(27,424,366)	517,604	6,874,679
<b>Comprehensive income</b>				
Profit/(Loss) for the period	-	(3,959,154)	-	(3,959,154)
Other comprehensive income for the period	-	81,015	-	81,015
Unrealised foreign currency loss	-	10	(10)	-
<b>Total comprehensive income for the half year</b>	-	(3,878,127)	(10)	(3,878,137)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the period	202,012	-	-	202,012
<b>Total transactions with owners and other transfers</b>	202,012	-	-	202,012
<b>Balance at 30 June 2015</b>	33,983,453	(31,302,493)	517,594	3,198,554



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2015

	<b>CONSOLIDATED GROUP</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	16,663	(126,218)
Interest received	954	1,943
<b>Net cash (used in) provided by operating activities</b>	<b>17,618</b>	<b>(124,275)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration activities	(261,826)	(339,161)
<b>Net cash used in investing activities</b>	<b>(261,826)</b>	<b>(339,161)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	202,012	274,825
Repayment of borrowings	(50,000)	-
<b>Net cash used in (provided by) financing activities</b>	<b>152,012</b>	<b>274,825</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		
	<b>(92,196)</b>	<b>(188,611)</b>
Cash and cash equivalents at beginning of period	113,197	231,897
Effect of exchange rates on cash holdings in foreign currencies	10	2,497
<b>Cash and cash equivalents at end of period</b>	<b>21,010</b>	<b>45,783</b>



## DIRECTORS' DECLARATION

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

These general purpose interim financial statements for the half-year reporting period ended 30 June 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Redcliffe Resources Limited and its controlled entities (referred to as the Consolidated Group or the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2014, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.



## DIRECTORS' DECLARATION

### CONSOLIDATED GROUP

30.06.2015      30.06.2014

\$                      \$

#### 2) LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Write-off capitalised exploration expenditure.

(3,932,551)	(131,236)
<u>(3,932,551)</u>	<u>(131,236)</u>

#### 3) DIVIDENDS

No dividend was proposed or paid during the half-year ended 30 June 2015.

#### 4) EVENTS AFTER THE END OF THE INTERIM PERIOD

##### ASX Release dated 18 August 2015.

The company has announced a sale of 51% of its stake in the Redcliffe Gold Project to Northern Manganese Limited (NTM) for consideration consisting of \$260,000 cash and 13,888,889 ordinary shares in NTM. The transaction includes an agreement for the company to operate with NTM under "farm-in" joint venture arrangement, with a proposal for the two companies to merge at a future date. The arrangement will allow the company to meet its short term financial obligations as well as aid in bringing the Redcliffe Gold Project into production.

#### 5) CONTINGENT LIABILITIES

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

#### 6) GOING CONCERN

The ability of the company to meet its debts as and when they fall due is dependant upon the success of future raisings of funds; either through the establishment of joint ventures, sale of investments or the raising of additional equity from its shareholders and/or new investors.



## DIRECTORS' DECLARATION

The Papua New Guinea Companies Act does not require the preparation of Half-yearly accounts. These consolidated accounts for the six-month period ended 30 June 2015 have been prepared in accordance with the Australian Accounting Standards for the purpose of lodgment with the Australian Securities & Investments Commission and the Australian Stock Exchange Limited. They have been prepared in the Company's usual manner, with internal checks and verifications normally applied. However, to minimize cost, the accounts have not been subjected to a full external audit. The auditor has carried out a review of the accounts and has been requested to pay particular attention to the areas that the directors consider appropriate.

The directors of the company declare that:

- (i) The financial statements and notes, as set out on pages 7 to 12 are in accordance with the Corporations Act 2001, including:
  - a. Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date.
- (ii) 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.

Director

Rodney David FOSTER  
*CEO / Chairman*

Dated 11th day of September 2015



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF REDCLIFFE RESOURCES LIMITED AND CONTROLLED ENTITIES**

### Report on the Half-year Financial Report

I have reviewed the accompanying half-year financial report of Redcliffe Resources Limited and controlled entities (the consolidated entity) which comprises the consolidated condensed statement of financial position as at 30 June 2015, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed 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.

### Directors' Responsibility for the Half-year Financial Report

The directors of Redcliffe Resources Limited (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 (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such 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

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my 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, I have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of Redcliffe Resources Limited and its controlled entities' financial position as at 30 June 2015 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 Redcliffe Resources Limited and its controlled entities, ASRE 2410 requires that I 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 enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Independence

In conducting my review, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Redcliffe Resources Limited and controlled entities, would be in the same terms if provided to the directors as at the time of this auditor's review report.

### Qualification

In accordance with the company's accounting policy, exploration expenditure of \$3,594,461 (December 2014: \$7,313,489) has been included in the financial statements as non-current assets. The recoverability of the capitalised exploration expenditure and the ability of the company to meet its debts as and when they fall due are dependent upon the success of future exploration or realisation of the exploration assets. Significant exploration and development activities can only continue if the company is successful in raising additional funds, either through the establishment of joint ventures, sale of investments or the raising of additional equity from its shareholders and/or new investors.



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF REDCLIFFE RESOURCES LIMITED AND CONTROLLED ENTITIES**

### Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the half-year financial report of Redcliffe Resources Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (ii) Complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Name of firm: Sinton Spence Chartered Accountants

Name of Partner: James Sinton Spence

Address: PO Box 6861, Boroko, National Capital District, Papua New Guinea

Dated this 11th day of September 2015

Signed:

A handwritten signature in black ink that reads "J Spence".