STONEHENGE METALS LTD (ACN 119 267 391)
(TO BE RENAMED PROTEAN WAVE ENERGY LIMITED)

SECOND SUPPLEMENTARY PROSPECTUS

1. Important Information

This is a second supplementary prospectus (**Second Supplementary Prospectus**) and is supplementary to the first supplementary prospectus dated 27 November 2015 (**First Supplementary Prospectus**) and the prospectus dated 25 November 2015 (**Prospectus**) issued by Stonehenge Metals Ltd (to be renamed Protean Wave Energy Limited) (ACN 119 267 391) (**Company**).

This Second Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 14 December 2015. The ASIC and its officers take no responsibility for the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus must be read together with the Prospectus and the First Supplementary Prospectus. If there is a conflict between the Prospectus, the First Supplementary Prospectus, and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning as in this Second Supplementary Prospectus.

This Second Supplementary Prospectus will be issued with the Prospectus and First Supplementary Prospectus as an electronic prospectus and may be accessed on the internet at www.stonehengemetals.com.au/prospectus.aspx. This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus and First Supplementary Prospectus remain unchanged. The Directors believe that the changes in this Second Supplementary Prospectus are not materially adverse from the point of view of an investor.

Accordingly, no action needs to be taken if you have already subscribed for securities under the Prospectus. A copy of this Second Supplementary Prospectus will be available on the Company's website and the Company will communicate by email with all Applicants who have subscribed for securities under the Prospectus to the date of this Second Supplementary Prospectus advising them of the Second Supplementary Prospectus.

2. Amendment to the Prospectus

2.1 Purpose of this document

The purpose of this Second Supplementary Prospectus is to supplement the disclosure provided in the following Sections of the Prospectus, as a result of comments provided by ASIC regarding the Prospectus:

(a) 1.13 (Historical Financial Information);

(b) 8 (Investigating Accountant's Report); and

(c) 13.7 (Interests and Consents of Promoters, Experts and Advisors).

2.2 Supplementary Disclosure in Section 1.13 of the Prospectus (Historical Financial Information)

The Company has decided to provide additional disclosure in Section 1.13 of the Prospectus. Accordingly, the first paragraph of Section 1.13 of the Prospectus is deleted and replaced with the following:

> **Protean Energy Australia Pty Ltd (ACN 143 809 803)**
>
> The Company is acquiring 100% of the shares in PEA. PEA is a non-trading subsidiary of PEL, and is the legal and beneficial owner of the intellectual property relating to the Protean™ WEC Technology.
>
> The Directors have performed a due diligence review of PEA and are satisfied that:

(a) PEA does not have any outstanding liabilities or claims;

(b) on the basis that PEA's intellectual property assets are intangible and subject to successful commercialisation, no value can reasonably be attributed to PEA's intellectual property assets (being the only assets of PEA); and

(c) PEA has never been a trading entity.

Accordingly, in light of the above, no trading information is available, and in any event, PEA would have a nil balance sheet.

2.3 Supplementary Disclosure in Section 8 of the Prospectus (Investigating Accountant's Report)

The Company has decided to provide additional disclosure in the Investigating Accountant's Report in Section 8 of the Prospectus, specifically in Note 5 and Note 7 of Appendix 3 of the Investigating Accountant's Report.

Accordingly, Section 8 of the Prospectus is amended by replacing the Investigating Accountant's Report with the updated Investigating Accountant's Report which is included as Annexure A to this Supplementary Prospectus.

2.4 Supplementary Disclosure in Section 13.7 of the Prospectus 13.7 (Interests and Consents of Promoters, Experts and Advisors)

To provide additional disclosure, the following paragraph is inserted as the last paragraph of Section 13.7:

> BDO Audit (WA) Pty Ltd has given its written consent to being named as the Company's Auditor in this Prospectus in the form and context in which it is included and to the inclusion of the Company's audited financial statements and to statements by BDO Audit (WA) Pty Ltd in its capacity as the auditor in relation to those audited financial statements. References to BDO Audit (WA) Pty Ltd appear for information purposes only. BDO Audit (WA) Pty Ltd have not been involved in, authorised or caused the issue of this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

3. Consents

BDO Corporate Finance (WA) Pty Ltd (**BDO**) has given its written consent to being named as the Company's Investigating Accountant in this Second Supplementary Prospectus and to the inclusion of the updated Investigating Accountant's Report in Annexure A and all statements referring to or based on the updated Investigating Accountant's Report in Annexure A of this Second Supplementary Prospectus in the form and context in which they are included. BDO has not caused or authorised the issue of this Second Supplementary Prospectus and has not withdrawn its consent prior to lodgement of this Second Supplementary Prospectus with ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as the Company's Auditor in this Second Supplementary Prospectus and to the inclusion of the Company's audited financial statements and to statements by BDO Audit (WA) Pty Ltd in its capacity as the auditor in relation to those audited financial statements. References to BDO Audit (WA) Pty Ltd appear for information purposes only. BDO Audit (WA) Pty Ltd have not been involved in, authorised or caused the issue of this Second Supplementary Prospectus and has not withdrawn its consent prior to lodgement of this Second Supplementary Prospectus with ASIC.

4. Directors' Authorisation

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with the ASIC.

Bruce Lane
Managing Director
For and on behalf of
Stonehenge Metals Ltd (to be renamed Protean Wave Energy Limited)

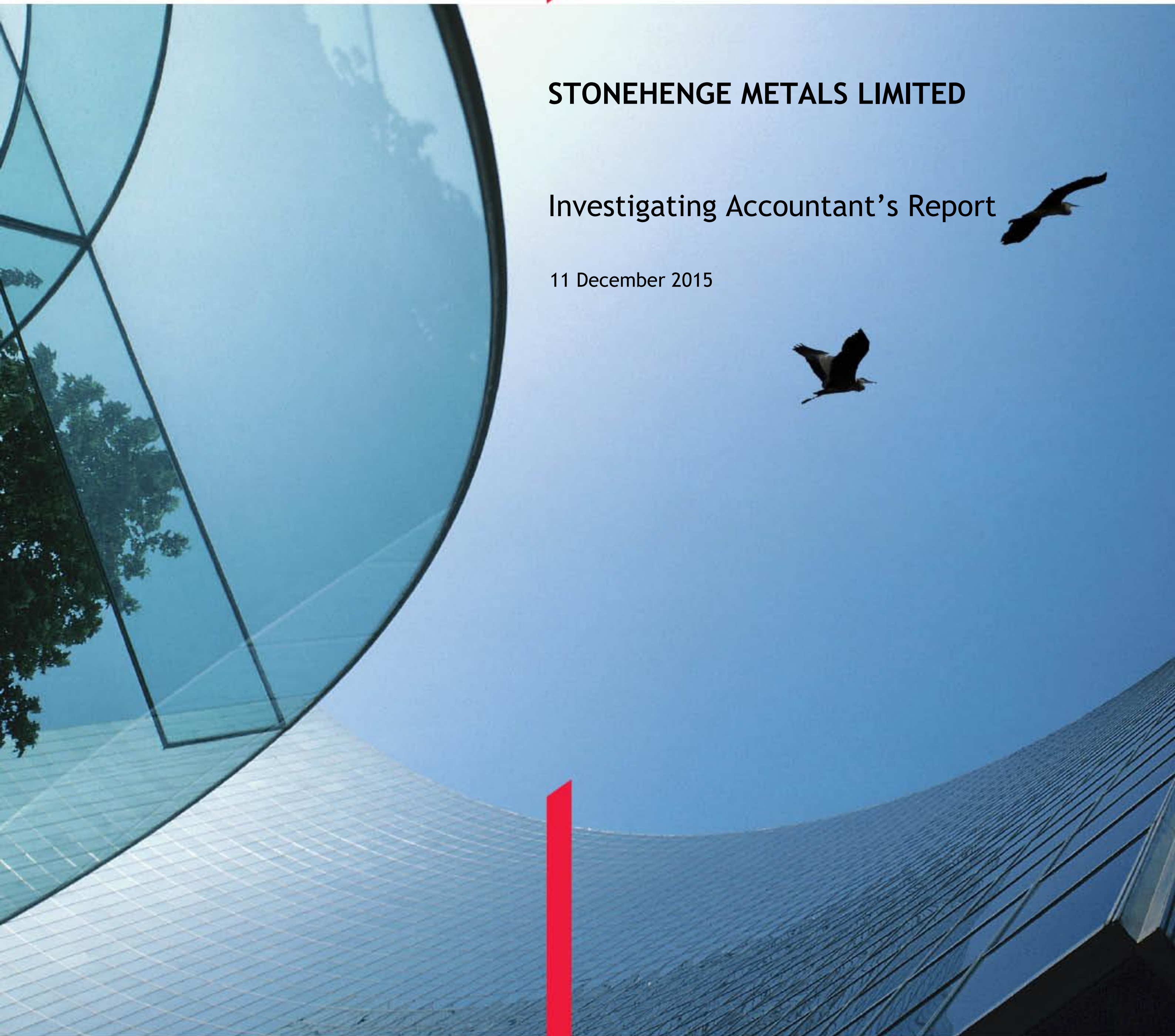
This Second Supplementary Prospectus intended to be read with the First Supplementary Prospectus dated 27 November 2015 and the Prospectus dated 25 November 2015 issued by Stonehenge Metals Ltd (to be renamed Protean Wave Energy Limited) (ACN 119 267 391).

ANNEXURE A – UPDATED INVESTIGATING ACCOUNTANT'S REPORT

STONEHENGE METALS LIMITED

Investigating Accountant's Report

11 December 2015



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11 December 2015

The Directors
Stonehenge Metals Limited
Level 3, 89 St Georges Terrace
Perth WA 6000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Stonehenge Metals Limited (**'Stonehenge'** or **'the Company'**) to prepare this Investigating Accountant's Report (**'Report'**) in relation to certain financial information of Stonehenge for inclusion in the Prospectus. The Prospectus is required under Australian Securities Exchange (**'ASX'**) requirements for Stonehenge to re-comply with Chapters 1 and 2 of the ASX Listing Rules, as a result of Stonehenge exercising its rights to complete the acquisition of all of the Protean Energy Australia Pty Ltd (**'PEA'**) shares from Protean Energy Pty Ltd (formerly known as Protean Energy Limited) (**'PEL'**) (**'Transaction'**). PEA holds the intellectual property relating to the Protean Wave Energy Converter (**'WEC'**).

Broadly, the Prospectus will offer 200 million shares at an issue price of $0.025 per share with one free attaching option with an exercise price of $0.0375 for every one share to raise $5 million before associated costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 100 million shares to raise $2.5 million before associated costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Stonehenge included in the Prospectus:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 for Stonehenge; and
- the historical Statement of Financial Position as at 30 June 2015, 30 June 2014 and 30 June 2013 of Stonehenge.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information of Stonehenge has been extracted from the financial report for the year ended 30 June 2015, which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unqualified audit opinion for the 30 June 2015 financial report. However, the financial report was issued with an Emphasis of Matter paragraph which indicates the existence of a material uncertainty that 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.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (**'Pro Forma Historical Financial Information'**) of Stonehenge included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2015.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Stonehenge, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Stonehenge to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Stonehenge's financial position as at 30 June 2015. As part of this process, information about Stonehenge's financial position has been extracted by Stonehenge from the Company's financial statements for the year ended 30 June 2015.

The Pro Forma Historical Financial Information incorporates the completion of the acquisition of PEA whereby the Company will issue 60 million ordinary shares and 120 performance shares to PEL in consideration for 100% of the shares in PEA. PEA is not and has never been an operating entity, it however owns the rights and title to the intellectual property relating to the Protean WEC technology.

3. Directors' responsibility

The directors of Stonehenge are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information to be free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2015, 30 June 2014 and 30 June 2013 for Stonehenge; and
- the historical Statement of Financial Position as at 30 June 2015 of Stonehenge.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Stonehenge as at 30 June 2015.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to the year ended 30 June 2015:

- The issue of convertible notes to raise up to $600,000, on the following terms:
  - Repayment date is 31 December 2015;
  - Interest rate is 9.25% per annum payable quarterly; and
  - Conversion price is and the lower of:
    - $0.025; or
    - The price calculated on the basis of a 15% discount to the VWAP of Stonehenge's shares traded on the ASX during the last 10 trading days prior to the date the notice is provided by the lender to Stonehenge in accordance with paragraph 8, subject to a minimum price of $0.02.
  - Each convertible note is issued with a free unlisted option exercisable at $0.0375 on or before 31 December 2018.
- The completion of a placement to sophisticated investors to raise $500,000 before associated costs of $30,000 via the issue of 1,250,000 shares at $0.04; and
- Prior to 30 June 2015, Stonehenge held its Korean subsidiary company, Stonehenge Korea Limited ('**SHK**'), as an asset held for sale. On 28 July 2015, Stonehenge announced the completion of the sale of 50% of SHK to KOSDAQ listed Korea Resources Investment & Development Inc. ('**KORID**') for which Stonehenge received 4,643,497 shares in KORID. These shares have been valued at $2,407,020 and recorded as an investment in KORID post 30 June 2015. The Company and KORID now hold 50% each of SHK which is now an incorporated Joint Venture ('**JV**') company. The Company recognises its 50% share of the assets and liabilities of the JV as an Investment in associate in the statement of financial position.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Stonehenge, not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2015, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The Company will change its name from Stonehenge Metals Limited to Protean Wave Energy Limited;
- The issue of 200 million shares at an offer price of $0.025 each to raise $5 million before costs pursuant to the Prospectus, based on a minimum subscription of 100 million shares to raise $2.5 million before costs. Costs of the Offer are estimated to be $347,012 under

the minimum subscription and $494,512 under the maximum subscription, which are to be offset against the contributed equity; and

- The issue of 60 million ordinary shares and 120 million performance shares to PEL in consideration for the acquisition of all of the issued capital of PEA. The performance shares will convert into ordinary shares upon achievement of any one of the following performance milestones within three years from the date of issue:
  - Other than through an ASX re-compliance prospectus raising, completion of financing of not less than $5,000,000 to fund further development of the WEC technology, in aggregate, via equity, debt, government grant, joint venture or partnership (or any combination thereof);
  - Commissioning of a WEC technology facility of 45 Kilowatts or greater outside Australia;
  - Commissioning of a WEC technology facility or facilities of cumulative 500 Kilowatts or greater;
  - Execution of a fully funded agreement to install a WEC technology facility of facilities of cumulative 1 Megawatt or greater on commercial terms; or
  - Execution of a bona fide arm's length third party licensing, co-operation or collaboration agreement or agreements valued cumulatively at not less than $5,000,000, at the time of signing, for the whole or part of WEC technology for assessment, development or commercialization. Value to be determined by an independent valuer using generally accepted valuation methodologies.

  Currently, Stonehenge management considers the Company likely to achieve any one of the performance milestones. Therefore, we have assumed that 100% of the performance shares will vest.

  We have valued the consideration received for the acquisition of PEA to be $4.5 million. This is based on 60 million ordinary shares and 120 million performance shares valued at an underlying price of $0.025 per share, which is the Offer price at which funds are being raised under the Prospectus.

  There are additional costs associated with the Transaction of $97,988 under the minimum subscription, and $100,488 under the maximum subscription. These costs are related to the Transaction and have therefore been expensed.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report, for which professional fees will be received. BDO is the auditor of Stonehenge and from time to time provides Stonehenge with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers

Adam Myers

Director

APPENDIX 1

STONEHENGE METALS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-15 $
Interest income	12,979
Other income	269
Research and development expense	(414,762)
Depreciation expense	(24,290)
Administrative expense	(1,115,748)
Finance costs	(30,000)
Share based payment expense	(359,415)
Impairment of exploration assets	(3,158,967)
Loss on sale of non-current asset	-
Foreign exchange gain/(loss)	79
Loss before income tax	**(5,089,855)**
Income tax benefit/(expense)	369,376
Loss after income tax	**(4,720,479)**
Exchange differences on translation of foreign operations	118,095
Total comprehensive loss for the period	**(4,602,384)**

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2

STONEHENGE METALS LIMITED

CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Notes	Audited as at 30-Jun-15 $	Subsequent events $	Pro-forma adjustments minimum $	Pro-forma adjustments maximum $	Pro-forma after issue minimum $	Pro-forma after issue maximum $
CURRENT ASSETS							
Cash and cash equivalents	2	45,379	1,029,490	2,055,000	4,405,000	3,129,869	5,479,869
Trade and other receivables	3	93,456	(16,175)	-	-	77,281	77,281
TOTAL CURRENT ASSETS		138,835	1,013,315	2,055,000	4,405,000	3,207,150	5,557,150
NON CURRENT ASSETS							
Property, plant and equipment	4	17,754	(17,754)	-	-	-	-
Investment in associate	5	-	2,409,549	-	-	2,409,549	2,409,549
Investment in KORID	6	-	2,407,020	-	-	2,407,020	2,407,020
Other financial asset	7	300,000	-	4,500,000	4,500,000	4,800,000	4,800,000
Asset held for sale	8	4,814,040	(4,814,040)	-	-	-	-
TOTAL NON CURRENT ASSETS		5,131,794	(15,225)	4,500,000	4,500,000	9,616,569	9,616,569
TOTAL ASSETS		5,270,629	998,090	6,555,000	8,905,000	12,823,719	15,173,719
CURRENT LIABILITIES							
Trade and other payables	9	134,545	(22,701)	-	-	111,844	111,844
Borrowings	10	-	600,000	-	-	600,000	600,000
Provisions		2,513	-	-	-	2,513	2,513
TOTAL CURRENT LIABILITIES		137,058	577,299	-	-	714,357	714,357
TOTAL LIABILITIES		137,058	577,299	-	1	714,357	714,358
NET ASSETS		**5,133,571**	**420,791**	**6,555,000**	**8,904,999**	**12,109,362**	**14,459,361**
EQUITY							
Issued capital	11	24,560,701	440,000	6,652,988	9,005,488	31,653,689	34,006,189
Reserves		2,667,668	-	-	-	2,667,668	2,667,668
Accumulated losses	12	(22,094,798)	(19,209)	(97,988)	(100,488)	(22,211,995)	(22,214,495)
TOTAL EQUITY		**5,133,571**	**420,791**	**6,555,000**	**8,905,000**	**12,109,362**	**14,459,362**

 # The cash and cash equivalents balance above does not account for working capital of approximately $767,000 spent on the Protean call and option licensing agreement, Korean exploration activities and acquisition costs during the period from 1 July 2015 to the date of this report. The estimated working capital requirement for the Company combined until completion of the Offer is estimated to be approximately $132,739 per month.

The above consolidated pro-forma consolidated statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 3

STONEHENGE METALS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. Statement of significant accounting policies

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of Consolidation

Subsidiaries

The historical financial information incorporate the assets and liabilities of subsidiaries of the Company at the end of the reporting period. Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Where a subsidiary has entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Foreign currency translation

Functional and presentation currency

Items included in the historical financial information of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The historical financial information is presented in Australian dollars, which is Stonehenge's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

c) Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured it is probable that future economic benefits will flow to the entity.

Revenue for other business activities is recognised on the following basis:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

d) Income Tax and Other Taxes

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Stonehenge Metals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except: where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

f) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

g) Cash and Cash Equivalents

For the purposes of the historical financial information, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

h) Trade and Other Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

i) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

j) Investments and other financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivable are included in trade and other receivables in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to old them for the medium to long term.

Recognition and de-recognition

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

l) Exploration and Evaluation Expenditure

The Group's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

- Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs; and
- Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
- such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated and recognised as an asset in the historical financial information in respect of each particular area of interest include only net direct expenditure.

m) Share Based Payment Transactions

The Group provides benefits to employees and consultants (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The costs of these equity settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of performance rights granted is determined using the single barrier share option pricing model. The fair value of options granted is determined by using the Black-Scholes option pricing technique.

The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of: (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded are contingent and will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is valued as if it will vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient of the award, as measured at the date of modification.

If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximately their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

o) Employee Entitlements

The Group's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

p) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

q) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Cash and cash equivalents	45,379	3,129,869	5,479,869
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		45,379	45,379
Subsequent events:			
Issue of convertible notes		600,000	600,000
Convertible notes facility fee		(30,000)	(30,000)
Issue of placement shares		500,000	500,000
Share placement capital raising costs		(30,000)	(30,000)
Deconsolidation of subsidiary company		(10,510)	(10,510)
		1,029,490	1,029,490
Pro-forma adjustments:			
Proceeds from shares issued under this Prospectus		2,500,000	5,000,000
Capital raising costs		(347,012)	(494,512)
Costs of the Transaction		(97,988)	(100,488)
		2,055,000	4,405,000
Pro-forma Balance		3,129,869	5,479,869

[#] The cash and cash equivalents balance above does not account for working capital of approximately $767,000 spent on the Protean call and option licensing agreement, Korean exploration activities and acquisition costs during the period from 1 July 2015 to the date of this report. The estimated working capital requirement for the Company combined until completion of the Offer is estimated to be approximately $132,739 per month.

NOTE 3. TRADE AND OTHER RECEIVABLES	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Trade and other receivables	93,456	77,281	77,281
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		93,456	93,456
Subsequent events:			
Deconsolidation of subsidiary company		(16,175)	(16,175)
		(16,175)	(16,175)
Pro-forma Balance		77,281	77,281

NOTE 4. PROPERTY PLANT AND EQUIPMENT	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Property, plant and equipment	17,754	-	-
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		17,754	17,754
Subsequent events:			
Deconsolidation of subsidiary company		(17,754)	(17,754)
		(17,754)	(17,754)
Pro-forma Balance		-	-

NOTE 5. INVESTMENT IN ASSOCIATE	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Investment in Associate	-	2,409,549	2,409,549
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		-	-
Subsequent events:			
Reclassification of asset held for sale		4,814,040	4,814,040
Less impairment		(1,741,857)	(1,751,857)
Total		3,072,183	3,072,183
Less 50% of net assets disposed of via sale of subsidiary		(662,634)	(662,634)
Pro-forma Balance		2,409,549	2,409,549

Consideration totalling $2,407,000 was provided for the 50% disposed of subsidiary and represents the fair value. Accordingly the Pro-forma balance of the investment in associate represents this fair value plus an immaterial value of fixed assets retained in the parent entity and not disposed of ($2,529).

The impairment charge has been made to the asset held for sale to ensure that the fair value of the investment in associate represents the consideration received. The impairment has calculated after recognition of value of the net assets disposed of ($662,634, being half of the net assets which total approximately S1.32 million of the Korean subsidiary sold) plus the value of plant and equipment.

NOTE 6. INVESTMENT IN KORID	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Investment in KORID	-	2,407,020	2,407,020
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		-	-
Subsequent events:			
Consideration for sale of 50% share in subsidiary company		2,407,020	2,407,020
		2,407,020	2,407,020
Pro-forma Balance		2,407,020	2,407,020

NOTE 7. OTHER FINANCIAL ASSET	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Other financial asset	300,000	4,800,000	4,800,000
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		300,000	300,000
Pro-forma adjustments:			
Acquisition of PEA		4,500,000	4,500,000
		4,500,000	4,500,000
Pro-forma Balance		4,800,000	4,800,000

*The opening balance relates to the consideration paid for the option to purchase PEA. Subsequently, as part of the Transaction, Stonehenge exercised the option to acquire PEA by way of issuing shares and performance shares. Under AASB2 the value of the intangible assets held by PEA is based on the value of the securities to be issued, being a fair value of $4.5 million, see section 7 of this report and section 1.13 of the Prospectus for further details. We note that the assets acquired from PEA cannot be reliably measured at this point in time and therefore the value of the assets has, in accordance with AASB2, been based upon the securities to be issued. An impairment test on this balance may be undertaken in the future.

NOTE 8. ASSET HELD FOR SALE	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Asset held for sale	4,814,040	-	-
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		4,814,040	4,814,040
Subsequent events:			
Reclassification of asset held for sale		(4,814,040)	(4,814,040)
		(4,814,040)	(4,814,040)
Pro-forma Balance		-	-

NOTE 9. TRADE AND OTHER PAYABLES	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Trade and other payables	134,545	111,844	111,844
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		134,545	134,545
Subsequent events:			
Deconsolidation of subsidiary company		(22,701)	(22,701)
		(22,701)	(22,701)
Pro-forma Balance		111,844	111,844

NOTE 10. BORROWINGS	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Borrowings	-	600,000	600,000
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		-	-
Subsequent events:			
Issue of convertible notes		600,000	600,000
		600,000	600,000
Pro-forma Balance		600,000	600,000

NOTE 11. ISSUED CAPITAL	Audited 30-Jun-15 $		Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Issued Capital	24,560,701		31,653,689	34,006,189
	Number of shares (min)	Number of shares (max)	$	$
Adjustments to arise at the pro-forma balance:				
Fully paid ordinary share capital	847,535,000	847,535,000	24,560,701	24,560,701
Subsequent events:				
Issue of placement shares	12,500,000	12,500,000	500,000	500,000
Share placement capital raising costs	-	-	(30,000)	(30,000)
Convertible notes facility fee	-	-	(30,000)	(30,000)
	12,500,000	12,500,000	440,000	440,000
Pro-forma adjustments:				
Proceeds from shares issued under this Prospectus	100,000,000	200,000,000	2,500,000	5,000,000
Consideration paid for acquisition of PEA**	60,000,000	60,000,000	4,500,000	4,500,000
Capital raising costs	-	-	(347,012)	(494,512)
	160,000,000	260,000,000	6,652,988	9,005,488
Pro-forma Balance	1,020,035,000	1,120,035,000	31,653,689	34,006,189

***In addition to these ordinary shares, the Company will also issue 120 million performance shares that will convert subject to their performance milestones.*

NOTE 12. ACCUMULATED LOSSES	Audited 30-Jun-15 $	Pro-forma after Offer minimum $	Pro-forma after Offer maximum $
Accumulated losses	(22,094,798)	(22,211,995)	(22,214,495)
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stonehenge at 30 June 2015		(22,094,798)	(22,094,798)
Subsequent events:			
Loss on sale of 50% interest in subsidiary		(19,209)	(19,209)
		(19,209)	(19,209)
Pro-forma adjustments:			
Costs of the Transaction		(97,988)	(100,488)
		(97,988)	(100,488)
Pro-forma Balance		(22,211,995)	(22,214,495)

APPENDIX 4

STONEHENGE METALS LIMITED

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

Historical Consolidated Statement of Financial Position	Audited as at 30-Jun-14 $	Audited as at 30-Jun-13 $
CURRENT ASSETS		
Cash and cash equivalents	89,760	1,266,504
Trade and other receivables	38,796	455,550
TOTAL CURRENT ASSETS	128,556	1,722,054
NON CURRENT ASSETS		
Mineral exploration and evaluation expenditure	7,830,923	7,636,456
Property, plant and equipment	46,696	71,234
Other financial asset	-	20,000
TOTAL NON CURRENT ASSETS	7,877,619	7,727,690
TOTAL ASSETS	8,006,175	9,449,744
CURRENT LIABILITIES		
Trade and other payables	164,807	229,930
Provisions	33,462	30,617
TOTAL CURRENT LIABILITIES	198,269	260,547
NON CURRENT LIABILITIES		
Deferred tax liabilities	369,376	471,237
TOTAL NON CURRENT LIABILITIES	369,376	471,237
TOTAL LIABILITIES	567,645	731,784
NET ASSETS	**7,438,530**	**8,717,960**
EQUITY		
Issued capital	22,622,692	22,577,276
Reserves	2,190,157	1,916,585
Accumulated losses	(17,374,319)	(15,775,901)
TOTAL EQUITY	**7,438,530**	**8,717,960**

APPENDIX 4 (CONT)

STONEHENGE METALS LIMITED

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-14 $	Audited for the year ended 30-Jun-13 $
Interest income	16,298	93,221
Other income	7,230	24,376
Gain/(loss) on sale of non-current asset	(160,440)	-
Depreciation expense	(28,027)	(33,389)
Employee benefits expenses	(467,345)	(906,369)
Advertising and marketing expenses	(6,887)	(11,491)
Audit expenses	(38,225)	(34,006)
Accounting expenses	(76,642)	(61,521)
Directors expenses	(76,000)	(88,300)
Share based payments	(45,416)	(56,855)
Corporate and regulatory expenses	(83,098)	(49,470)
Rent expenses	(229,160)	(219,362)
Travel expenses	(75,212)	(136,527)
Other administrative expenses	(609,349)	(631,123)
Impairment of available-for-sale assets	-	(60,000)
Foreign exchange gain/(loss)	157,661	235,491
Loss before income tax	**(1,714,613)**	**(1,935,325)**
Income tax benefit/(expense)	232,607	448,942
Loss after income tax	**(1,161,183)**	**(1,486,383)**
Exchange differences on translation of foreign operations	157,160	(77,832)
Total comprehensive loss for the period	**(1,324,846)**	**(1,564,215)**