
PARAMOUNT MINING CORPORATION LIMITED

ABN 73 102 426 175

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

DIRECTORS' REPORT

The Directors present their Financial Statement on the consolidated entity, being Paramount Mining Corporation Limited and its controlled entities, for the half-year ended 31 December 2014.

DIRECTORS

The Directors of Paramount Mining Corporation Limited during or since the end of the half-year are:

Mr. Mo Munshi

Mr. Daniel Poller (resigned 5 October 2015)

Dr. Guy Anderson

Mr. Mufti Habriansyah (resigned 29 May 2015)

Mr. John Arbuckle

Mr. Peter Bacchus (resigned 31 December 2015)

DIRECTORS' REPORT

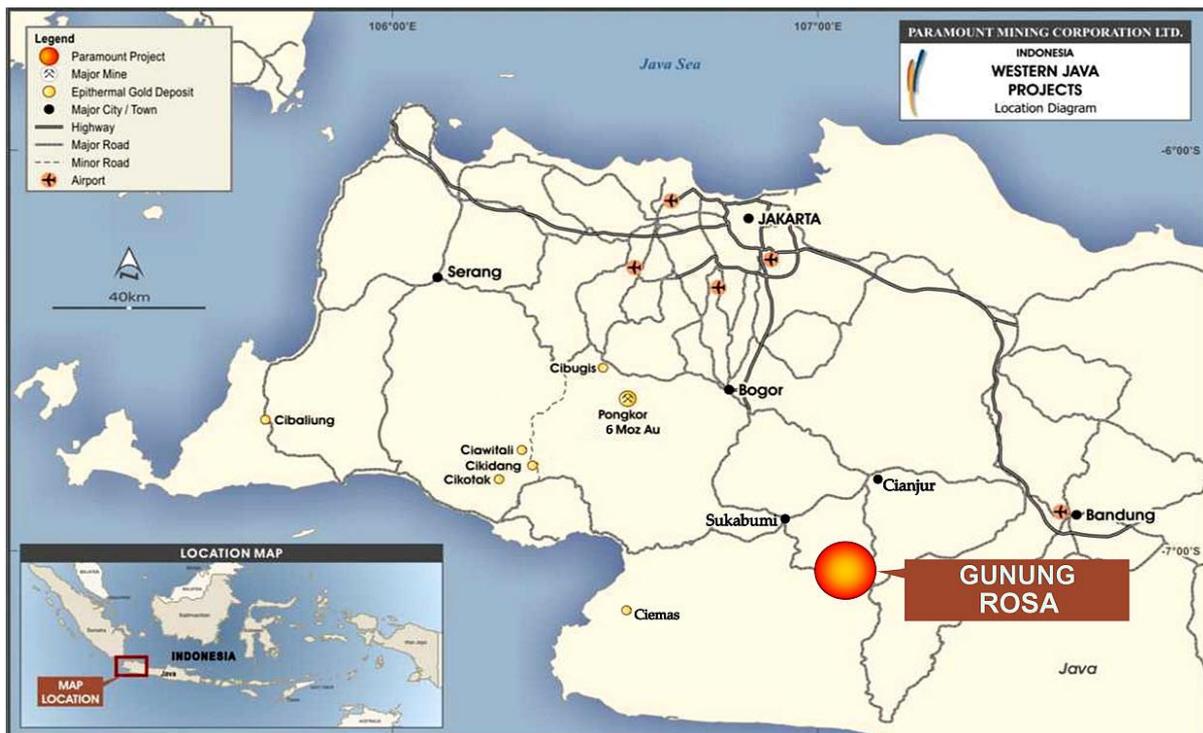


Figure 1: The Gunung Rosa IUP is located in Indonesia's West Java Province, approximately 125km south of Jakarta, and near the major regional centres of Sukabumi and Cianjur.

Gunung Rosa Project

Gunung Rosa is a high grade gold-silver and base metals project located 125 kilometres south of Jakarta. The most prominent mineralised vein zone contained within the licence is a steeply dipping high grade gold, silver and base metal mesothermal vein system in excess of 2.5 kilometres in strike length which remains open along strike and to depth.

Due to very tight funding conditions and a restricted budget, limited field work was undertaken during the period under review.

Paramount Mining Corporation Limited

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DIRECTORS' REPORT

Mining tenements held at 31 December 2014

Project	Tenement	Country/Province	Status	Interest
Gunung Rosa	503/Tmb.839/DPSDA.P	Indonesia/West Java	Granted	72.25%

CORPORATE MATTERS

Chief Executive Office and Managing Director

During the period, Mr Daniel Poller was appointed Chief Executive Officer and Managing Director (Mr Poller subsequently resigned in June 2015, with the Company's Chairman, Mr Mo Munshi, temporarily assuming the responsibilities of Managing Director and Chief Executive Officer).

Loan Terms Renegotiated

Paramount repaid debt totalling USD152,680 that was converted into shares in the Company. While the conversions strengthened Paramount's balance sheet, they also demonstrate significant, ongoing confidence in the Gunung Rosa project.

Meetings

The Company held its Annual General Meeting ("AGM") on 12 December 2014 with all resolutions passed by show of hands and by proxy. Details of the AGM results and other announcements referred to in this Review of Operations may be found at www.paramountmining.com.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2014 is set out on page 14.

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



Mohammed Munshi
Chairman and Acting Chief Executive Officer and Managing Director

Dated this 25th day of January 2016

Paramount Mining Corporation Limited

ABN 73 102 426 175

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

		31 December 2014	31 December 2013
		\$	\$
Revenue	Note		
Interest income	2	26	813
Other income	2	-	34,438
Total revenue		26	35,251
Operating costs:			
Depreciation		2,620	4,551
Employee benefits expenses		356,903	319,056
Equity-based payment expense		64,529	13,191
Exploration and project expenditure		-	-
Occupancy expenses		62,009	64,440
Borrowing cost		276,048	100,000
Other operating costs		465,647	809,529
Total expenses		1,227,756	1,310,767
Loss before income tax		(1,227,730)	(1,275,516)
Income tax refund / (expense)		-	-
Loss after income tax		(1,227,730)	(1,275,516)
Other comprehensive income			
Items that may be reclassified subsequently to Profit or Loss			
• Currency translation differences		959,608	109,649
Total other comprehensive income		959,608	109,649
Comprehensive loss for the period		(268,122)	(1,165,867)
Loss attributable to members of			
Paramount Mining Corporation Limited		(1,178,485)	(1,228,964)
Non controlling interest		(49,245)	(46,552)
		(1,227,730)	(1,275,516)
Total comprehensive loss attributable to			
Paramount Mining Corporation Limited		(118,957)	(1,103,341)
Non controlling interest		(149,165)	(62,526)
		(268,122)	(1,165,867)
Earnings per share			
Basic loss per share (cents)		(0.217)	(0.270)
Diluted loss per share (cents)		(0.217)	(0.270)

The accompanying notes form part of these financial statements.

Paramount Mining Corporation Limited

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		18,431	13,554
Trade and other receivables		105,732	61,508
Other current assets		60,148	35,966
TOTAL CURRENT ASSETS		184,311	111,028
NON-CURRENT ASSETS			
Trade and other receivables		17,670	17,327
Deferred exploration and evaluation costs		9,873,857	8,712,905
Property, plant and equipment		9,309	11,072
TOTAL NON-CURRENT ASSETS		9,900,836	8,741,304
TOTAL ASSETS		10,085,147	8,852,332
CURRENT LIABILITIES			
Trade and other payables		963,474	2,161,372
Short term provisions		33,071	41,185
Borrowings	3	1,971,275	1,308,047
TOTAL CURRENT LIABILITIES		2,967,820	3,510,604
TOTAL LIABILITIES		2,967,820	3,510,604
NET ASSETS		7,117,327	5,341,728
EQUITY			
Issued capital	4	31,467,348	29,488,510
Reserves	5	3,456,867	2,332,456
Accumulated losses		(26,952,405)	(25,773,920)
Total equity attributed to equity holders of the consolidated group		7,971,810	6,047,046
Non-controlling Interest		(854,483)	(705,318)
TOTAL EQUITY		7,117,327	5,341,728

The accompanying notes form part of these financial statements.

Paramount Mining Corporation Limited

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	7,354
Payments to suppliers and employees	(938,562)	(478,087)
Interest received	26	813
Other Income received	-	-
Net cash flows used in operating activities	(938,536)	(469,920)
Cash flows from investing activities		
Exploration expenditure	(71,081)	(1,033,352)
Payments to acquire fixed assets	-	-
Proceeds from disposal of fixed assets	-	-
Net cash flows used in investing activities	(71,081)	(1,033,352)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,380,264
Proceeds from shares to be issued	-	548,800
Cost associated with share issues	(7,996)	-
Proceeds from borrowings	1,022,490	-
Net cash flows from financing activities	1,014,494	1,929,064
Net increase in cash and cash equivalents	4,877	425,792
Cash and cash equivalents at beginning of period	13,554	21,279
Cash and cash equivalents at end of period	18,431	447,071

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Shares to be issued	Accumulated Losses	Reserves	Non- controlling interest	Total Equity
As at 1 July 2013	25,162,061	-	(22,741,887)	2,593,851	(627,951)	4,386,074
Total comprehensive income for the period						
Loss for the period	-	-	(1,228,964)	-	(46,552)	(1,275,516)
Other comprehensive income						
Currency translation differences	-	-	-	125,623	(15,974)	109,649
Total comprehensive income for the period	-	-	(1,228,964)	125,623	(62,526)	(1,165,867)
Transactions with owner recorded directly into equity						
Issue of shares	2,098,513	-	-	-	-	2,098,513
Shares to be issued		548,800	-	-	-	548,800
Share based payment	-	-	-	13,191	-	13,191
Non-controlling interest	-	-	-	-	-	-
As at 31 December 2013	27,260,574	548,800	(23,970,851)	2,732,665	(690,477)	5,880,711
As at 1 July 2014	29,488,510	-	(25,773,920)	2,332,456	(705,318)	5,341,728
Total comprehensive income for the period						
Loss for the period	-	-	(1,178,485)	-	(49,245)	(1,227,730)
Other comprehensive income						
Currency translation differences	-	-	-	1,059,528	(99,920)	959,608
Total comprehensive income for the period	-	-	(1,178,485)	1,059,528	(149,165)	(268,122)
Transactions with owner recorded directly into equity						
Issue of shares	1,978,838	-	-	-	-	1,978,838
Shares to be issued		-	-	-	-	-
Share based payment	-	-	-	64,883	-	64,883
Non-controlling interest	-	-	-	-	-	-
As at 31 December 2014	31,467,348	-	(26,952,405)	3,456,867	(854,483)	7,117,327

The accompanying notes form part of these financial statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Note 1: Basis of Preparation of the Half Year Financial Statement

a. Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Paramount Mining Corporation Limited and its controlled entities (referred to as the "Consolidated Group" or "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 30 June 2014, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 25 January 2016.

b. Accounting Policies

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. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Going Concern Basis

The financial statements of the Group have been prepared on a going concern basis which anticipates the ability of the Group to meet its obligations in the normal course of the business.

As at 31 December 2014, the Group had total liabilities of \$2,967,820, and had incurred a total comprehensive loss of \$268,122 for the half year ended 31 December 2014, with a cash and cash equivalents balance of \$18,431. In the absence of the future capital raising noted below, current cash resources are not expected to be sufficient to meet forecast outgoings for a period at least 12 months from the date of this report.

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's and parent entity's ability to continue as going concerns.

The directors have prepared cash flow forecasts that indicate that the Company and the Group will have cash surpluses for a period of at least 12 months from the date of this report. This forecast is dependent on the raising of funds by way of equity raisings and or obtaining further loan funds in order for the Group to meet its exploration commitments and other costs.

Based on the cash flow forecasts and possible equity and/or debt funding described above, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the consolidated entity and the parent be unable to continue as going concerns, they may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity and the parent be unable to continue as a going concern.

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

Note 1: Basis of Preparation of the Half Year Financial Statement (continued)

The directors acknowledge that the company will need to adopt further strategies to ensure that funding is maintained. This includes, but is not limited to further capital or debt funding, the sale, relinquishment or introduction of joint venture contributions on areas of interest held, and seeking other prospective projects. Please refer to Note 9 for details regarding funds raised post 31 December 2014.

	31 December 2014	31 December 2013
Note 2: Revenue	\$	\$
Revenue		
Interest received	26	813
Other income	-	20,400
Rent received	-	14,038
Total Revenue	26	35,251

Note 3: Borrowings

Borrowings comprise the following	31 December 2014	30 June 2014
	\$	\$
Zurily Resources and Trading Pte Limited ⁱ	644,890	126,425
Cape Gannet Limited ⁱⁱ	-	162,081
Bungarra Resources Limited ⁱⁱⁱ	849,591	739,740
Mo Munshi	-	120,488
Brooklyn International Limited	-	159,313
R&K Global Finance Limited ^{iv}	476,794	-
	1,971,275	1,308,047

- i. The loan is interest free and matures 31 March 2016. A loan fee of 10 million shares is payable, subject to shareholder approval.
- ii. During the year 4,613,246 millions shares were issued at 4 cents to convert the entire remaining loan balance.
- iii. The loan is interest free and matures 31 March 2016. A loan fee of 15 million shares is payable, subject to shareholder approval.
- iv. The loan is interest free and matures 31 March 2016. A loan fee of 14 million shares is payable, subject to shareholder approval.

Note 4: Issued Capital

a. Ordinary Shares	31 December 2014	31 December 2014
	(number of shares)	(\$)
At the beginning of reporting period	559,939,708	29,488,510
Shares issued during the prior year		
• 12 December 2014	48,036,897	1,978,838
	607,976,605	31,467,348

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

Note 5: Reserves

At the Annual General Meeting held on 12 December 2014, the shareholders approved the issue of 22,500,000 performance rights with details as follow:

Quantity	Expire	Market capitalisation hurdle	Fair value per Performance Rights (AUD)
7,500,000	31 December 2015	Receipt of JORC Resource Report	\$0.04
7,500,000	31 December 2016	Receipt of Bankable Feasibility Study	\$0.04
7,500,000	30 June 2017	Commencement of Ore Production	\$0.04

The Performance Rights were issued on 12 December 2014 and the amount expensed during the period to 31 December 2014 was \$14,844.

The company had issued 14,500,000 Performance Rights at AGM held in November 2013. The Performance Rights vesting during the period July – December 2014 amounted to \$50,039. Of the 14,500,000 Performance Rights, 5,250,000 expired on 30 November 2014. The details of the remaining Performance Rights are as follow:

Quantity	Expire	Vesting Hurdle
1,000,000	31 March 2015	Market Capitalisation AUD60m
5,250,000	30 June 2015	Market Capitalisation AUD70m
7,500,000	31 December 2015	Receipt of JORC Resource Report
1,000,000	31 March 2016	Market Capitalisation AUD90m
7,500,000	31 December 2016	Receipt of Bankable Feasibility Study
7,500,000	30 June 2017	Commencement of Ore Production

During the half year 2,000,000 option expired, there are no outstanding options at period end.

Reserve comprise the following	31 December 2014	30 June 2014
	\$	\$
Option Reserve	1,382,244	1,382,244
Performance Rights Reserve	780,660	715,777
Foreign Currency Translation Reserve	1,293,963	234,435
	3,456,867	2,332,456

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

Note 6: Segment Reporting

a. Revenue and Segment Results

31 December 2014	Australia (\$)	Indonesia (\$)	Singapore (\$)	South Africa (\$)	Total (\$)
Revenue	-	26	-	-	26
Segment Results	(769,695)	(172,691)	(274,947)	38,848	(1,227,730)

31 December 2013	Australia (\$)	Indonesia (\$)	Singapore (\$)	South Africa (\$)	Total (\$)
Revenue	14,841	10	20,400	-	35,251
Segment Results	(757,800)	(336,282)	(146,400)	(35,034)	(1,275,516)

b. Segment Assets and Segment Liabilities

31 December 2014	Australia (\$)	Indonesia (\$)	Singapore (\$)	South Africa (\$)	Total (\$)
Segment Assets	1,629,494	8,418,021	30,979	6,653	10,085,147
Segment Liabilities	(2,198,274)	(294,378)	(475,168)	(0)	(2,967,820)

30 June 14	Australia (\$)	Indonesia (\$)	Singapore (\$)	South Africa (\$)	Total (\$)
Segment Assets	1,603,462	7,232,663	9,785	6,422	8,852,332
Segment Liabilities	(2,903,118)	(173,669)	(433,817)	-	(3,510,604)

Note 7: Contingent Liabilities

There are no contingent liabilities at, or subsequent to, the date of this report.

Note 8: Dividends

There were no dividends paid or payable during the half year.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

Note 9: Events Subsequent to Reporting Date

In June 2015, the Company announced the resignation of Mr Daniel Poller as Chief Executive Officer and Managing Director, with the Company's Chairman, Mr Mo Munshi, temporarily assuming the responsibilities of Managing Director and Chief Executive Officer while a replacement is sought. Mr Poller remain on the Board as Non-Executive Director until 5 October 2015.

On 29 May 2015 Mufti Habriansyah resigned as Non Executive Director followed by Mr Peter Bacchus who is resigned on 31 December 2015.

All loans from lenders have been extended to 31 March 2016, with a loan fee to Zurily Resources and Trading Pte Ltd of 10 million shares, a loan fee to Bungarra Resources Ltd of 15 million shares and Loan extension fee to R&K Global Finance Ltd of 14 million shares, which all are payable subject to shareholder approval

The Company's subsidiary Paramindo Singapore Pte Ltd ("Paramindo Singapore") entered into an unsecured three-year convertible Drawdown Facility agreement ("Facility") of USD3,000,000 with an Asian resource funding group ("Lender").

The Facility will fund critical stages in the continued development of the Gunung Rosa gold, silver and base metal project in West Java, Indonesia, as well as provide for working capital.

Under the Facility, Paramindo Singapore may drawdown a committed amount of up to USD3,000,000 in USD1,000,000 tranches through to 31 March 2016. Additional drawdowns under the Facility may be approved, at the sole discretion of the Lender.

The key terms of the Facility are as follows:

- USD3,000,000 unsecured Facility
- Interest rate of 10% per annum
- Maturity date is 3 years from the date of the Facility agreement
- Repayable in cash or shares and attaching warrants in the Company at the Lender's option.
 - Conversion price is the price of shares based on a USD20,000,000 pre-money valuation of Paramindo Singapore immediately prior to conversion.
 - Warrants exercisable for nil consideration to acquire two shares each.

Except as noted elsewhere in this report, there were no events subsequent to the reporting date.

Paramount Mining Corporation Limited

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Note 10. Controlled Entities

	Country of Incorporation	Percentage Owned (%) [*]	
		December 2014	June 2014
Paramount Mining Ghana Limited (dormant)	Ghana	100	100
Paramount Mining South Africa (Pty) Ltd	South Africa	100	100
Paramount Mining Indonesia Pty Ltd	Australia	100	100
Paramount Mining (Indonesia) Energy Pty Ltd	Australia	100	100
Paramindo Singapore Pte Ltd	Singapore	85	85
Paramindo Energi Singapore Pte Ltd	Singapore	85	85
PT Paramindo	Indonesia	85	85
PT Paramindo Energi	Indonesia	85	85
PT Cikondang Kencana Prima	Indonesia	72.25	72.25
PT Paramindo Cipta Persada	Indonesia	76.5	76.5
PT Paramindo Cipta Persada Energi	Indonesia	76.5	76.5

** Percentage of voting power is in proportion to ownership*

Paramount Mining Corporation Limited

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DIRECTORS' DECLARATION

In the opinion of the Directors of Paramount Mining Corporation Limited:

1. the financial statements and notes set out on pages 3 to 12
 - (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations; and
2. 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.

Dated this 25th day of January 2016



.....
Mo Munshi

CEO & Managing Director

25 January 2016

Board of Directors
Paramount Mining Corporation Limited
44 Kings Part Road,
WEST PERTH, WA, 6005

Dear Directors

RE: PARAMOUNT MINING CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Paramount Mining Corporation Limited.

As Audit Director for the review of the financial statements of Paramount Mining Corporation Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PARAMOUNT MINING CORPORATION LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Paramount Mining Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Paramount Mining Corporation Limited (the consolidated entity). The consolidated entity comprises both Paramount Mining Corporation Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Paramount Mining Corporation Limited 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 the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Paramount Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Paramount Mining Corporation Limited on 25 January 2016.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Paramount Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

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

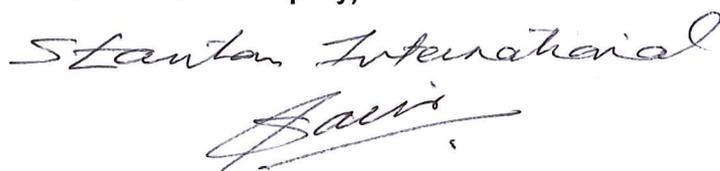
Material Uncertainty Regarding Going Concern and Carrying Values of Non-current Assets

Without qualification to the conclusion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the half year financial report, the financial statements have been prepared on the going concern basis. As at 31 December 2014, the consolidated entity had working capital deficiency of \$2,783,509 and had incurred a loss of \$1,227,730 for the half year ended then. In the event that the consolidated entity is unable to raise additional funding from the sources as described in note 1 to the financial report, and based on the current exploration commitments and planned expenditure, there is material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts, or to the amounts and classification of liabilities, that might be necessary should the consolidated entity not continue as a going concern.

The recoverability of the Group's carrying value of Capitalised Exploration costs of \$9,873,857 as at 31 December 2014 is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate proceeds equivalent to or in excess of the book values. In the event that the consolidated entity is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
25 January 2016