



ABN 37 148 168 825

**Interim Financial Report
31 December 2015**

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Your directors submit the financial report of the Company for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

John Terpu – Executive Chairman

(Appointed Non – Executive Chairman 12 January 2011, appointed Executive Chairman 1 July 2013)

Bruno Firriolo FTPA (Tax), B.Bus (Acctg) – Non-executive Director and Company Secretary
(Appointed 12 January 2011)

Joseph Radici FTPA (Tax), B.Bus (Acctg) – Non-executive Director
(Appointed 31 March 2015)

Operating and Financial Review

Result of Operations

The loss from ordinary activities of the Company for the half-year ended 31 December 2015 was \$210,968 (31 December 2014 – consolidated loss of \$258,878).

Review of Operations

The Company has three granted tenements (EPM 25755, EPM 18986 and EPM 25196). EPM's 18986 and 25196 comprise the Company's main project (Johnnycake Project) and are located at the northern end of the Bowen Basin in Queensland.

Forte has applied first principles geoscience at its Johnnycake Project. Exploration already undertaken in 2014 commenced with a high resolution airborne magnetic and radiometric survey from which a number of anomalous areas were highlighted. On the strength of this, SRK Consulting (Australasia) Pty Ltd ("SRK") undertook tenement scale mapping which identified multiple layers of evidence of a hydrothermal system at the Sledgehammer and Szarbs Prospects.

Subsequent prospect scale mapping was completed with the aim of refining these prospects into 'drill ready' targets. Rock chip and PIMA sampling at each prospect enhanced this objective, yielding rock chip results at Sledgehammer including 47g/t Au and 38g/t Ag, 1.52g/t Au and 6.2g/t Ag, 3.79g/t Au and 32.3g/t Ag.

A ground IP survey conducted in late 2014 identified a series of chargeable and resistive anomalies at each of the Prospects. During the June 2015 quarter a reconnaissance phase drilling program, along with surface trench sampling, targeted these anomalies with the aim of refining the mineralisation model and providing vectors to mineralisation. High grade gold and silver in surface trench samples at Sledgehammer, along with definition of a classic epithermal alteration sequence in the drilling at Szarbs, have enhanced the prospectivity of these two prospects.

During the half-year the Company continued with desktop studies relating to all results achieved to date with a view to determining how best to enhance the value of the project.

The information in this report that relates to airborne magnetic and radiometric surveys and surface rock chip assay results is extracted from the report entitled "Quarterly Activities Report" created on 31 July 2014 and is available to view on www.forteconsolidated.com.au. The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to results of a ground IP survey is extracted from the report entitled "Quarterly Activities Report" created on 13 October 2014 and is available to view on www.forteconsolidated.com.au. The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to RC drilling results and trench sampling results is extracted from the report entitled "Quarterly Activities Report" created on 21 July 2015 and is available to view on www.forteconsolidated.com.au. The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



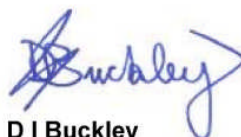
John Terpu
Chairman
25 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Forte Consolidated Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
25 February 2016



D I Buckley
Partner

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2015

Forte Consolidated Limited

	Notes	The Company 31 December 2015	Consolidated 31 December 2014
		\$	\$
Revenue		19,965	17,790
Expenses			
Exploration and evaluation expenditure written off	3	-	9,026
Administration expenses	2	238,616	279,290
Administration expenses capitalised to exploration		(11,543)	(12,656)
Depreciation expense		4,720	5,760
Depreciation capitalised to exploration		(4,064)	(4,752)
Loss on sale of fixed assets		3,204	-
Total expenses		230,933	276,668
Loss before income tax expense		210,968	258,878
Income tax expense		-	-
Net loss for the period		210,968	258,878
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Change in the fair value of available-for-sale investments		4,901	-
Income tax expense		-	-
Total comprehensive loss for the period		206,067	258,878
Basic and diluted loss per share (cents per share)		(0.12)	(0.27)

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

Forte Consolidated Limited

	Notes	The Company 31 December 2015 \$	The Company 30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		1,201,660	1,887,867
Other receivables		8,006	38,909
Other assets		21,866	24,513
Total Current Assets		1,231,532	1,951,289
NON-CURRENT ASSETS			
Other receivables		7,500	7,500
Available-for-sale listed securities	5	158,000	-
Plant and equipment		21,186	42,038
Exploration and evaluation expenditure	3	1,482,766	1,405,824
Total Non-Current Assets		1,669,452	1,455,362
TOTAL ASSETS		2,900,984	3,406,651
CURRENT LIABILITIES			
Trade and other payables		46,073	333,808
Employee benefits		3,567	10,153
Total Current Liabilities		49,640	343,961
TOTAL LIABILITIES		49,640	343,961
NET ASSETS		2,851,344	3,062,690
EQUITY			
Issued capital	4	7,007,425	7,012,704
Reserves	6	4,901	-
Accumulated losses		(4,160,982)	(3,950,014)
TOTAL EQUITY		2,851,344	3,062,690

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2015

Forte Consolidated Limited

	Issued Capital \$	Accumulated (Losses)/ Profits \$	Reserve \$	Total \$
Consolidated				
Balance at 1 July 2014	5,367,367	(3,452,059)	-	1,915,308
Total comprehensive income				
- Loss for the period	-	(258,878)	-	(258,878)
Balance at 31 December 2014	5,367,367	(3,710,937)	-	1,656,430
The Company				
Balance at 1 July 2015	7,012,704	(3,950,014)	-	3,062,690
Total comprehensive income				
- Loss for the period	-	(210,968)	-	(210,968)
- Change in the fair value of available-for-sale investments	-	-	4,901	4,901
Transactions recorded directly in equity				
- Share issue costs	(5,279)	-	-	(5,279)
Balance at 31 December 2015	7,007,425	(4,160,982)	4,901	2,851,344

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2015

Forte Consolidated Limited

	The Company 31 December 2015	Consolidated 31 December 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(245,712)	(236,518)
Interest received	26,945	14,179
Net cash used in operating activities	(218,767)	(222,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(254)	(20,148)
Proceeds from sale of plant and equipment	13,182	-
Payments for exploration and evaluation expenditure	(321,990)	(444,146)
Payments for available-for-sale investments	(153,099)	-
Refund of tenement bonds	-	5,000
Net cash used in investing activities	(462,161)	(459,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	(5,279)	-
Net cash used in financing activities	(5,279)	-
Net (decrease) in cash held	(686,207)	(681,633)
Cash at beginning of period	1,887,867	1,367,034
Cash at end of period	1,201,660	685,401

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that the financial statements be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Forte Consolidated Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Reporting entity

Some comparative figures in these interim financial statements relate to the former consolidated group which existed prior to the deregistration of Nextstar Pty Ltd on 27 April 2015.

Basis of preparation

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2015.

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	The Company	Consolidated
	31 December	31 December
	2015	2014
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Administration services fees paid	115,428	126,556

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	The Company	Consolidated
	Six months to	Year to
	31 December	30 June
	2015	2015
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	1,405,824	626,184
Expenditure incurred	76,942	788,614
Expenditure written off	-	(8,974)
Total deferred exploration and evaluation expenditure	1,482,766	1,405,824

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 4: ISSUED CAPITAL

	31 December	30 June
	2015	2015
	\$	\$
<i>Ordinary shares</i>		
179,078,187 fully paid ordinary shares (30 June 2015: 179,078,187)	7,007,425	7,012,704

	Six months to	Year to	Six months to	Year to
	31 December	30 June	31 December	30 June
	2015	2015	2015	2015
	No.	No.	\$	\$
<i>Movements in ordinary shares on issue</i>				
At start of period	179,078,187	95,805,002	7,012,704	5,367,367
Issued for cash	-	83,273,185	-	1,665,463
Costs associated with the issue of shares				
- ASX listing fees – prior period issue	-	-	(5,279)	(20,126)
At end of period	179,078,187	179,078,187	7,007,425	7,012,704

NOTE 5: AVAILABLE FOR SALE LISTED SECURITIES

	The Company Six months to 31 December 2015 \$	The Company Year to 30 June 2015 \$
Available-for-sale financial assets :		
Listed securities (1)	158,000	-
Total available-for-sale listed securities	158,000	-

(1) During the current half-year the Company purchased listed securities for \$153,099. Fair value of the listed securities as at 31 December 2015 was \$158,000.

NOTE 6: RESERVES

	The Company Six months to 31 December 2015 \$	The Company Year to 30 June 2015 \$
Change in the fair value of available-for-sale investments	4,901	-

NOTE 7: SEGMENT INFORMATION

The Company has one reportable segment being mineral exploration in Australia.

NOTE 8: CONTINGENT LIABILITIES

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

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.


NOTE 10: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and liabilities recognised in the interim financial statements approximate their fair values.

In the opinion of the directors of Forte Consolidated Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year then ended; 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



John Terpu
Chairman
25 February 2016



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Forte Consolidated Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Forte Consolidated Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company'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 the company, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



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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 Forte Consolidated Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Perth, Western Australia
25 February 2016