



ABN 51 127 297 170

Interim Financial Report
For the Half Year Ended 31 December 2015

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

INTERIM FINANCIAL REPORT
For the Half Year Ended 31 December 2015

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COMPANY DIRECTORY

DIRECTORS

Inés Scotland
Tony Schreck
Guy Robertson

COMPANY SECRETARY

Sue-Ann Higgins

REGISTERED OFFICE

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Level 25, 31 Market Street
Sydney NSW 2000
Telephone: 02 8268 8691
Facsimile: 02 8268 8699

AUDITORS

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000

SHARE REGISTRAR

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NEDLANDS WA 6009
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STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: MBK



METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

INTERIM FINANCIAL REPORT
DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015.

DIRECTORS

The names of Directors who held office during or since the end of the half year are:

Inés Scotland	Chairman
Guy Robertson	Executive Director
Anthony Schreck	Executive Director

RESULTS

The loss after tax for the half-year ended 31 December 2015 was \$354,802 (2014: \$698,432).

REVIEW OF OPERATIONS

Metal Bank Limited ('MBK' or 'the Company') is pleased to outline below the activities for the half year ended 31 December 2015.

Mason Valley Copper Project

Exploration during the half year ended 31 December 2015 focused primarily on the Mason Valley Copper Project.

The Yerington camp is a significant copper district with world class statistics supported by a resource base of over 12Mt of copper¹ and past production of approximately 1Mt of copper. Mineralisation within the Yerington copper district is intimately associated with the Yerington batholith creating large scale porphyry style deposits together with associated skarn and breccia style deposits.

The Project includes three main historical underground copper mines (high grade copper skarn and breccia style deposits) with average mined grades of between of 2.5% to 6% copper and with underground mining to depths of approximately 150m.

The Project consists of numerous historical underground mines from which three of the mines, for which historical documentation is currently available, collectively produced approximately 3.8Mt at a grade of 2.5% to 6.2% copper from 1910 to 1931. The closure of these mines coincided with the onset of the 'Great Depression'. The three copper mines for which documentation is available are:

- **Mason Valley Mine** historical production 1.7Mt @ 2.5% to 6% Cu
- **Bluestone Mine** historical production 1.5Mt @ 2.5% to 3.5% Cu
- **Malachite Mine** historical production 0.6Mt @ 3.5% to 6.2% Cu

Copper mineralisation within the Yerington district is intimately associated with the Yerington Batholith (Jurassic age) with significant porphyry copper style mineralisation and high grade skarn style copper mineralisation collectively amounting to approximately 13Mt in copper resources and past production in the district².

¹ Source: Nevada Copper, Entrée Gold and Quaterra Resources NI43-101 reports

² Source: Nevada Copper, Entrée Gold and Quaterra Resources NI43-101 reports

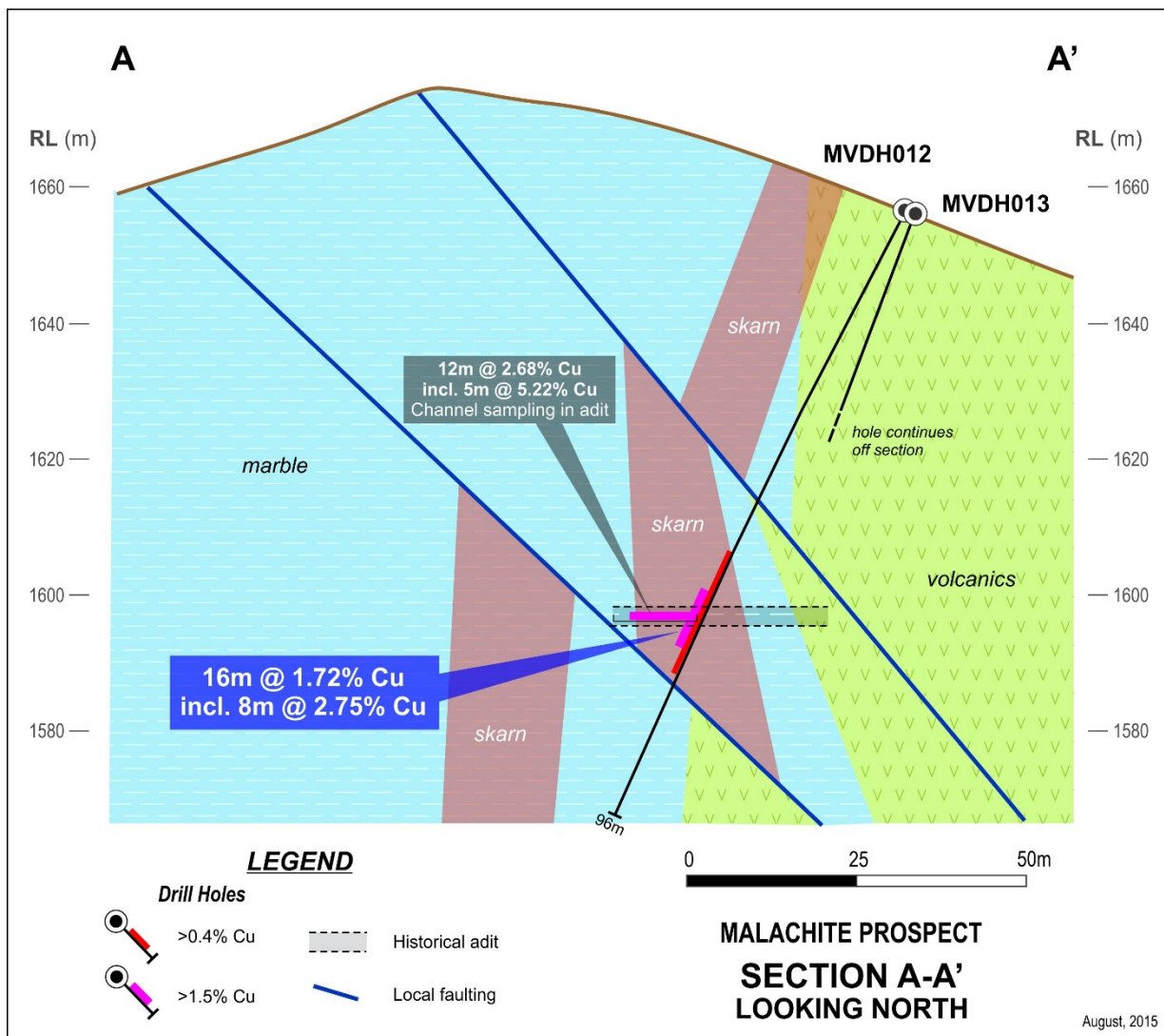


Figure 2: Drill section A-A' showing drill results and underground channel rock samples.

Mason Valley Mine

Historical production from the mine is reported at approximately 1.7Mt @ 2.5% to 6% Cu with mine production ceasing in the 1930's with the onset of the Great Depression. Open stope mining was completed over 400m of strike and down to depths of approximately 150m with records indicating that the mineralisation remains open at depth.

Copper mineralisation was intersected in both holes (2 holes for 523m) that were completed during the quarter targeting the down dip extension of the historical copper mine. Importantly, these drill holes represent the first holes ever completed at the Mason Valley mine, which was one of the highest grade copper mines in the world class Yerington copper district.

Significant results from the initial drilling include:⁹

- **12m @ 0.83% Cu** from 181m including **3m @ 1.85% Cu** from 190m (MVDH014)
- **3m @ 1.97% Cu** from 221m (MVDH017)

The mineralised zone also remains open along strike to the south where repetitions of the high grade copper mineralisation are interpreted and are yet to be tested.

Refer to Figures 3 and 4 showing a plan and long section through the Mason Valley mine.

⁹ MBK ASX Release 17 December 2015

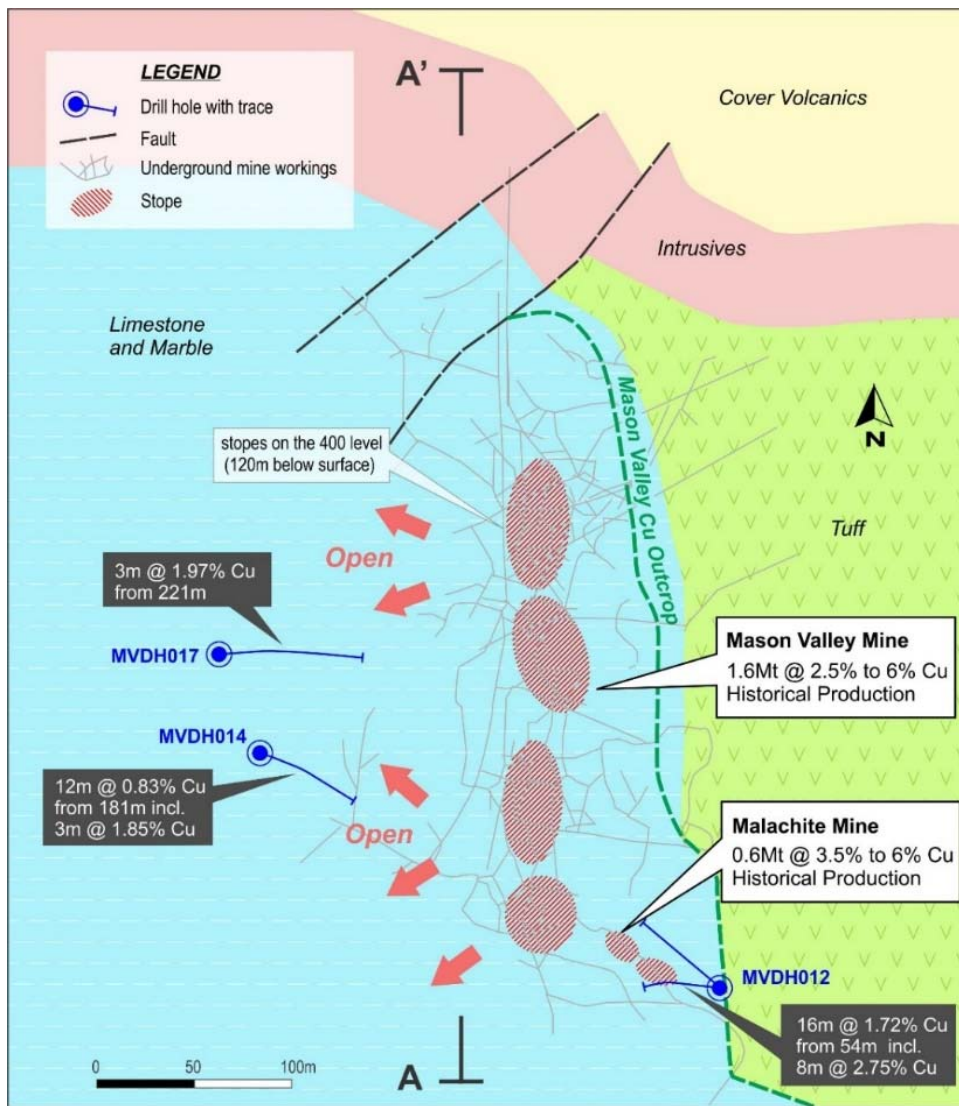


Figure 3: Plan of Mason Valley and Malachite mines showing drill holes and location of section A-A'.

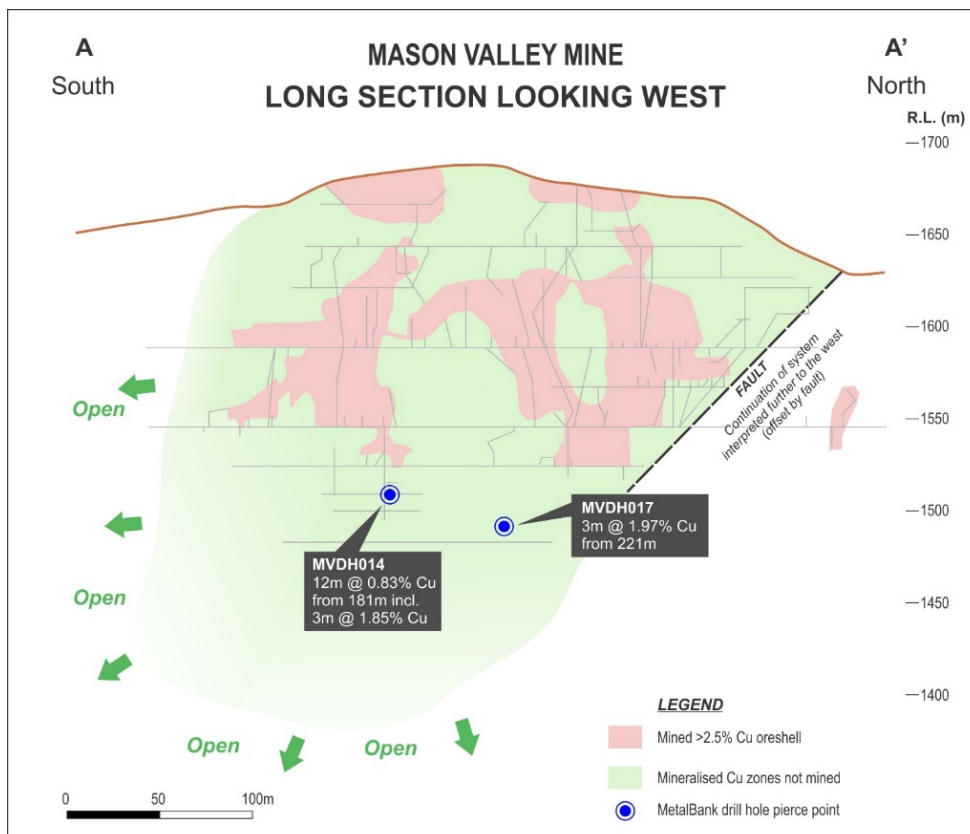


Figure 4: Long section A-A' (looking west) showing drill results. The location of the long section is shown in Figure 3.

Copper Hill Prospect

Historical records indicate that over 400m of underground development was completed in the early 1900s to a depth of approximately 60m below surface. Detailed mapping in the first half of 2015 of the outcropping high grade copper mineralisation led to the interpretation of a structural/mineralisation target approximately 150m below surface at the intersection of the main mineralised structures. Three RC holes were completed (for 90m of drilling) although all three holes failed to reach the target zone due to multiple underground workings that were intersected, with the deepest hole reaching 61m. Significant results were returned including **3m @ 1.2% Cu, 88g/t Ag, 1.0% Pb and 5.5% Zn** from surface (MVDH008a)¹⁰.

This is the first drilling programme completed on the Copper Hill prospect.

Eastern Australia Gold and Copper - Triumph, Eidsvold and Mt Mackenzie Projects

No work was undertaken during the period on the above projects.

A five year renewal has been granted for the Triumph Project EPM 18486 (to 11/10/2020).

A three year renewal has been granted for the Mt Mackenzie Project EPM15668 (to 27/9/2018).

Following a review of the Eidsvold Project EPM19548 was relinquished in full. Exploration will continue to focus on the remaining EPMs which cover the prospective Eidsvold intrusive complex.

Competent Persons Statement

The information in this document that relates to Exploration Results and Mineral Resources is based on information compiled or reviewed by Mr Tony Schreck, who is a Member of The Australasian Institute of Geoscientists. Mr Schreck is an employee of the Company. Mr Schreck has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schreck consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, other than the matters covered above in this report and the accounts and notes attached thereto, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

EVENTS SUBSEQUENT TO REPORTING DATE

Metal Bank is currently reviewing the prospectivity of the Mason Valley Copper Project in order to re-assess whether it will continue to farm in to the Joint Venture.

Other than as outline above, there have been no events subsequent to year end which would have a material effect on the consolidated entity's financial statements at 31 December 2015.

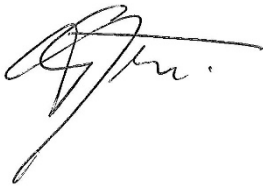
¹⁰ MBK ASX Release 24 December 2015

AUDITOR'S INDEPENDENCE DECLARATION

Auditors' Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration for the half year ended 31 December 2015 is set out on page 8.

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

A handwritten signature in black ink, appearing to read 'Guy Robertson', with a long horizontal stroke extending to the right.

Guy Robertson
Director

Sydney
Dated: 11 March 2016

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Metal Bank 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:

- (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.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW

Dated: 11 March 2016

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METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the half year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Revenue	2	2,646	54,129
Administration expenses		(54,606)	(19,496)
Employee benefits expense		(78,989)	(17,190)
Compliance and regulatory expenses		(47,123)	(37,857)
Occupancy costs		(17,944)	-
Director fees		(25,000)	(50,000)
Management and consulting fees		(68,769)	(133,584)
Travel expenses		(8,165)	(12,917)
Exploration expenditure written off		-	(196,230)
Debt Forgiveness	2	-	(285,287)
Borrowing costs		(13,700)	-
Unrealised foreign exchange loss		(43,152)	-
(Loss) before income tax		(354,802)	(698,432)
Income tax expense		-	-
(Loss) for the period		(354,802)	(698,432)
Other comprehensive income		-	-
Total comprehensive (loss) for the period		(354,802)	(698,432)
Basic and diluted loss per share (cents per share)		(0.10)	(0.24)

The accompanying notes form part of this financial report.

METAL BANK LIMITED AND CONTROLLED ENTITY
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2015

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance as at 1 July 2015	10,577,912	175,020	(6,863,661)	3,889,271
Shares issued during the period	500,000	-	-	500,000
Total comprehensive (loss) for the period	-	-	(354,802)	(354,802)
Balance as at 31 December 2015	<u>11,077,912</u>	<u>175,020</u>	<u>(7,218,463)</u>	<u>4,034,469</u>
 Balance as at 1 July 2014				
Shares issued during the period	9,817,912	494,885	(6,255,888)	4,056,909
Total comprehensive (loss) for the period	-	-	(698,432)	(698,432)
Expiry of options	-	(62,737)	62,737	-
Balance as at 31 December 2014	<u>9,817,912</u>	<u>432,148</u>	<u>(6,891,583)</u>	<u>3,358,477</u>

The accompanying notes form part of this financial report.

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	31 December 2015	30 June 2015
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	203,626	544,445
Trade and other receivables	35,768	35,975
Financial assets	1,250	1,250
TOTAL CURRENT ASSETS	240,644	581,670
NON-CURRENT ASSETS		
Fixed assets	2,873	2,873
Evaluation and exploration expenditure	4,569,648	4,057,883
TOTAL NON-CURRENT ASSETS	4,572,521	4,060,756
TOTAL ASSETS	4,813,165	4,642,426
CURRENT LIABILITIES		
Trade and other payables	79,996	111,307
TOTAL CURRENT LIABILITIES	79,996	111,307
NON-CURRENT LIABILITIES		
Borrowings	698,700	641,848
TOTAL NON-CURRENT LIABILITIES	698,700	641,848
TOTAL LIABILITIES	778,696	753,155
NET ASSETS	4,034,469	3,889,271
EQUITY		
Share Capital	11,077,912	10,577,912
Reserves	175,020	175,020
Accumulated losses	(7,218,463)	(6,863,661)
TOTAL EQUITY	4,034,469	3,889,271

The accompanying notes form part of this financial report.

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2015

	31 December 2015 \$	31 December 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(314,966)	(241,619)
Interest received	462	4,125
Net cash used in operating activities	<u>(314,504)</u>	<u>(237,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of project	-	50,000
Payment for exploration and evaluation	(526,316)	(390,113)
Net cash used by investing activities	<u>(526,316)</u>	<u>(340,113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	500,000	-
Net cash provided by financing activities	<u>500,000</u>	<u>-</u>
Net decrease in cash held	(340,819)	(577,607)
Cash at the beginning of the financial year	544,445	837,459
Cash at the end of the financial period	<u><u>203,626</u></u>	<u><u>259,852</u></u>

The accompanying notes form part of this financial report.

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial report is a general purpose financial report prepared in accordance with the 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 does not include all of the information required for a full annual financial report. This interim financial report should be read in conjunction with the annual financial report for the year ended 30 June 2015, together with any public announcements made by Metal Bank Limited and its controlled entity during the half-year.

These financial statements were authorised for issue on 9 March 2016.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of this interim financial report are, unless otherwise stated, consistent with those adopted and disclosed in the most recent annual financial report.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded operating losses of \$354,802 and had net cash outflows from operating and investing activities of \$314,504 and \$526,316 respectively for the half year ended 31 December 2015. The company will need to raise additional capital in order to meet its scheduled exploration expenditure requirements.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as 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 Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report after consideration of the following factors:

- The Company plans to raise additional capital of \$500,000 in the next twelve months. The ability of the Company to raise further capital to enable it to meet scheduled exploration expenditure requirements has proven to be successful in the past when the entity raised \$500,000 through two share placements of 23,333,333 on 8 September 2015 and 10,000,000 on 16 November 2015; and
- The directors have assessed and satisfied themselves that the Company will have adequate funding over the next 12 months to meet its obligations as and when these fall due.

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2015

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

New and revised Standards and Amendments

For the half-year reporting period to 31 December 2015, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

2. LOSS FOR THE PERIOD

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

	31 December 2015 \$	31 December 2014 \$
Revenue (i)	2,646	54,129
Debt forgiveness (ii)	-	(285,287)

(i) Revenue in 2014 included \$50,000 related to the sale of shares in Spinifex Pty Limited.

(ii) Debt forgiveness in 2014 related to a loan for Spinifex Pty Limited due to the project closing down and the loan being written off.

METAL BANK LIMITED AND CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2015

3. SEGMENT INFORMATION

The consolidated entity operates in Australia and the United States of America. The consolidated entity has one business segment, mineral and mining exploration, and all of the consolidated entity's resources are employed for this purpose.

Project Segments

	Mason Valley Copper Project	Australian Projects	Unallocated	Total
31 December 2015	\$	\$	\$	\$
Segment revenue	-	-	2,646	2,646
Segment expenses	-	-	(357,448)	(357,448)
Segment result	-	-	(354,802)	(354,802)
Segment assets	1,323,573	3,246,075	243,517	4,813,165
Segment liabilities	-	-	698,700	698,700

Project Segments

	Mason Valley Copper Project	Australian Projects	Unallocated	Total
31 December 2014	\$	\$	\$	\$
Segment revenue	-	50,000	4,129	54,129
Segment expenses	-	(481,417)	(271,144)	(752,561)
Segment result	-	(431,417)	(267,015)	(698,432)
Segment assets	-	3,150,623	318,596	3,469,219
Segment liabilities	-	-	110,742	110,742

4. SHARE CAPITAL

	31 December 2015	30 June 2015
	\$	\$
364,262,778 (30 June 2015 - 330,929,445) fully paid ordinary shares	11,077,912	10,577,912

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

METAL BANK LIMITED AND CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2015

Reconciliation of movements in share capital during the year:

	December 2015 No. Shares	June 2015 No. Shares	December 2015 \$	June 2015 \$
Opening balance – start of reporting period	330,929,445	292,929,445	10,577,912	9,817,912
Share placement 20 February 2015	-	25,500,000	-	510,000
Share Placement 30 June 2015	-	12,500,000	-	250,000
Share placement 8 September 2015	23,333,333	-	350,000	-
Share placement 16 November 2015	10,000,000	-	150,000	-
Closing balance – end of reporting period	364,262,778	330,929,445	11,077,912	10,577,912

5. SHARE OPTIONS

	31 December 2015 No.	30 June 2015 No.
Movements in share options		
At beginning of reporting period	15,000,000	61,000,000
Options expired during the period	-	(46,000,000)
At end of reporting period	15,000,000	15,000,000

The Company has the following options outstanding as at 31 December 2015.

Grant/Issue Date	Expiry Date	Exercise Price	Number	Listed/Unlisted
2 December 2013	30 November 2018	3 cents	15,000,000	Unlisted

6. EVENTS SUBSEQUENT TO REPORTING DATE

Metal Bank is currently reviewing the prospectivity of the Mason Valley Copper Project in order to re-assess whether it will continue to farm in to the Joint Venture.

Other than as outlined above, there have been no events subsequent to year end which would have a material effect on the consolidated entity's financial statements at 31 December 2015.

7. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The consolidated entity currently has no contingent assets or contingent liabilities.

METAL BANK LIMITED AND CONTROLLED ENTITY
ABN 51 127 297 170

DIRECTORS' DECLARATION
For the Half Year Ended 31 December 2015

The Directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 9 to 16 are in accordance with the Corporations Act 2001 and:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the consolidated entity 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.



Guy Robertson
Director

Sydney
Dated: 11 March 2016

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE MEMBERS OF****METAL BANK LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Metal Bank Limited which comprises the consolidated statement of financial position as at 31 December 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Metal Bank 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.

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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*, which has been given to the directors of Metal Bank Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Metal Bank 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 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 *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity recorded operating losses of \$354,802 and had net cash outflows from operating and investing activities of \$314,504 and \$526,316 respectively for the half year ended 31 December 2015. The company will need to raise additional capital in order to meet its scheduled exploration expenditure requirements. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which 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.



RSM AUSTRALIA PARTNERS



C J HUME
Partner

Sydney, NSW
Dated: 11 March 2016