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# **Gullewa Limited**

**ABN 30 007 547 480**

**Interim Report - 31 December 2015**

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### General Information

The financial report covers Gullewa Limited as a consolidated entity consisting of Gullewa Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gullewa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is :

Level 2  
49-51 York Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 15 March 2016. The directors have the power to amend and reissue the financial report.

## Directors' Report

31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2015.

### Directors

The following persons were directors of Gullewa Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Howland-Rose - Chairman  
David Deitz  
Eddie Lee

### Principal activities

The continuing principal activity of the consolidated entity during the financial half-year were exploration and mining, investments in equities and property.

### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$454,513 (31 December 2014: \$588,230).

### Allegiance Coal Limited ('Allegiance') – Gullewa has 60 % holding

The Kilmain Project (EPC 1298 and EPC 1917) is a 56km<sup>2</sup> area within the Bowen Basin. The project area is located 85 km southeast of Emerald and 12km west of the Rolleston rail line. The project area on its eastern boundary adjoins the BMA Togara South Project while on the western boundary adjoins the Bandanna Energy's Arcturus Project and to the north the Bandanna Energy Springsure Creek Project.

The Kilmain project has potential for an underground deposit of coking/PCI/ thermal coal within the Rangal Coal Measures.

The JEA signed with JOGMEC provides Allegiance Coal with funding for all of the planned exploration expenditure over three years including seismic exploration, drilling and associated coal quality analysis within the Kilmain Project area. Funding provided under the JEA will also allow Allegiance to build a comprehensive geological and mining model of the area utilising the new data along with previous company drilling and historical data within and adjacent to the tenements.

In August 2015, further drilling commenced of 2 cored holes each preceded by a pilot chip hole. A total of 980 metres were drilled in the cored holes and 1,250 metres in the pilot holes. Geophysical logging then occurred. Rock samples of roof and floors of coal seams has been taken and dispatched for testing in order to evaluate the potential for use of non conventional mining methods. The report on this last stage of work is being prepared.

### Central Iron Ore Limited ('CIO') – Gullewa has 36.10% holding

#### Gold

##### South Darlot

The South Darlot Gold Project area is approximately 320km North West of Kalgoorlie and 5km west of Barrick Gold Corporation's Darlot Mine.

##### Barrick Joint Venture

The company has earned a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV.Barrick

*British King*

On December 02, 2014, CIO announced that it has completed the AUD\$1.1 million sale of its British King Gold Mine in Western Australia to BK Gold Mines Pty Ltd.

The consideration payable for the acquisition of the Project included an initial AUD\$250,000 payment with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones as follows:

- Tranche 1 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold
- Tranche 2: 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold
- Tranche 3: 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold

The underground mine has been dewatered and mining has begun

*Eureka Gold*

There are ongoing discussions for sale of the Eureka Gold Project.

**Property – Gullewa has 70% holding**

The property now has approval for 46 lots with a new Development Application lodged which would increase the total lots to 55. Work is currently underway in determining an accurate civil costing. Discussions have been held in regards to marketing the project

**Gullewa Gold Royalty**

The company has a 1% Royalty on the project called Deflector owned by Doray Minerals Limited (ASX:DRM) Development and construction is moving ahead with funds of \$60 Million in place. The first gold is expected in June 2016.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**David Deitz**

Director

15 March 2016



# SCS AUDIT & CORPORATE SERVICES PTY LTD

ABN 99 165 260 444

## **DECLARATION OF INDEPENDENCE UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 BY BRIAN TAYLOR TO THE DIRECTORS OF GULLEWA LIMITED**

As lead auditor for the review of Gullewa 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 the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gullewa Limited and the entities it controlled during the period.

Brian Taylor  
Director  
**SCS Audit & Corporate Services Pty Ltd**  
Sydney, 15 March 2016

# Statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2015

		Consolidated	
		31 Dec 2015	31 Dec 2014
	Note	\$	\$
Revenue	3	50,119	113,684
Other income	4	46,737	87,982
<b>Expenses</b>			
Administration expenses		(299,085)	(277,929)
Employee benefits expense	5	(174,826)	(522,259)
Depreciation and amortisation expense	5	(9,443)	(28,005)
Impairment of assets	5	10,000	(252,071)
Subsidiary listing expense written off		(20,359)	-
Share of loss of associates accounted for using the equity method		(46,297)	(39,589)
Other expenses		-	-
Finance costs	5	(11,359)	(72,820)
<b>Loss before income tax benefit</b>		<b>(454,513)</b>	<b>(991,007)</b>
Income tax benefit		-	402,777
<b>Loss after income tax benefit for the half-year</b>		<b>(454,513)</b>	<b>(588,230)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<b>(454,513)</b>	<b>(588,230)</b>
Loss for the half-year is attributable to :			
Non-controlling interest		(133,567)	(39,887)
Owners of Gullewa Limited		(320,946)	(548,343)
		<b>(454,513)</b>	<b>(588,230)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.25)	(0.55)
Diluted earnings per share		(0.25)	(0.55)

\* The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position

For the half-year ended 31 December 2015

		Consolidated	
		31 Dec 2015	30 Jun 15
	Note	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	6	3,274,095	3,835,537
Trade and other receivables		527,811	591,825
Other financial assets	7	301,337	172,620
<b>Total current assets</b>		<b>4,103,243</b>	<b>4,599,982</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	8	923,947	844,012
Other financial assets		28,872	28,408
Property, plant and equipment		12,066	16,419
Intangibles		38,195	39,693
Exploration and evaluation	9	3,276,420	3,318,506
<b>Total non-current assets</b>		<b>4,279,500</b>	<b>4,247,038</b>
<b>Total assets</b>		<b>8,382,743</b>	<b>8,847,020</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		254,628	279,779
Borrowings	11	370,535	359,176
Employee benefits		4,028	-
<b>Total liabilities</b>		<b>629,191</b>	<b>638,955</b>
<b>Net assets</b>		<b>7,753,552</b>	<b>8,208,065</b>
<b>Equity</b>			
Issued capital	10	21,294,326	21,294,326
Reserves		1,274,648	1,274,648
Accumulated losses		(16,020,056)	(15,699,112)
<b>Equity attributable to the owners of Gullewa Limited</b>		<b>6,548,918</b>	<b>6,869,862</b>
<b>Non-controlling interest</b>		<b>1,204,634</b>	<b>1,338,203</b>
<b>Total equity</b>		<b>7,753,552</b>	<b>8,208,065</b>

\* The above statement of financial position should be read in conjunction with the accompanying notes.

## Statement of changes in equity

For the half-year ended 31 December 2015

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2014	21,294,326	1,274,648	(14,771,065)	1,714,739	9,512,648
Loss after income tax benefit for the half-year	-	-	(548,343)	(39,887)	(588,230))
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	21,294,326	1,274,648	(548,343)	(39,887)	(588,230))
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	61,500	-	-	61,500
<b>Balance at 31 December 2014</b>	<b>21,294,326</b>	<b>1,336,148</b>	<b>(15,319,408)</b>	<b>1,674,852</b>	<b>8,985,918</b>

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2015	21,294,326	1,274,648	(15,699,112)	1,338,203	8,208,065
Loss after income tax benefit for the half-year	-	-	(320,944)	(133,569)	(454,513)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(320,944)	(133,569)	(454,513)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>21,294,326</b>	<b>1,274,648</b>	<b>(16,020,056)</b>	<b>1,204,634</b>	<b>7,753,552</b>

\* The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows

For the half-year ended 31 December 2015

	Note	Consolidated	
		31 Dec 2015	31 Dec 2014
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(573,277)	(1,962,810)
Interest received		57,681	119,168
Other revenue		19,551	127,124
Interest and other finance costs paid		-	-
Income taxes refunded		73,094	385,012
Net cash used in operating activities		(422,951)	(1,331,506)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(126,231)	(1,404)
Payments for intangibles		-	-
Payments for exploration and evaluation		(395,445)	(431,464)
Payments for other financial assets		19,535	(2,328)
Proceeds from sale of investment property		-	(180,000)
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		(502,141)	(615,196)
<b>Cash flows from financing activities</b>			
Repayment of borrowing		-	(173,039)
Contribution from JOGMEC Joint Venture		363,650	1,164,901
Net cash from financing activities		363,650	991,862
Net decrease in cash and cash equivalents		(561,442)	(954,840)
Cash and cash equivalents at the beginning of the financial half-year		3,835,537	5,313,170
Cash and cash equivalents at the end of the financial half-year		3,274,095	4,358,330

\* The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

For the half-year ended 31 December 2015

## Note 1. Significant accounting policies

### **Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2015 together with any public announcements made during the following half-year.

The half-year financial report was authorised for issue by directors on 15 March 2016.

### **Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### **Going concern**

The consolidated financial statements have been prepared on a going concern basis.

For the half-year ended 31 December 2015, the consolidated entity incurred a loss from continuing operations after tax of \$454,513 (31 December 2014: \$588,230). In the same period the consolidated entity had operating cash outflows of \$442,951 (31 December 2014: cash outflow of \$1,331,506) and outflows due to investing activities of \$502,141 (31 December 2014: \$516,196).

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they fall due.

The consolidated entity has commitments for exploration and evaluation for the next three years. Due to current market conditions the company will not commit to all of the minimum expenditure for the next three years.

No adjustments have been made relating to recoverability and classification of other asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

## Note 2. Operating segments

The operating segments are identified by management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the CODM for the management and performance of these reportable segments.

### **Types of products and services**

The principal products and services of each of these operating segments are as follows:

**Exploration and evaluation** The consolidated entity is involved in exploration and evaluation for minerals.

## Notes to the financial statements

For the half-year ended 31 December 2015

Property development      The consolidated entity acquires investment properties with a view to capital appreciation and derivation of rental income.

Investments                The consolidated entity invests in shares in listed and unlisted entities.

### Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
<b>Consolidated – Dec 2015</b>					
Revenue				50,119	50,119
Other revenue				-	-
<b>Total revenue</b>				50,119	50,119
<b>EBITDA</b>					(490,448)
Depreciation and amortisation					(9,443)
Impairment of assets					10,000
Interest income					46,737
Finance costs					(11,359)
<b>Loss before income tax benefit</b>					(454,513)
Income tax benefit					-
<b>Loss after income tax benefit</b>					(454,513)
<b>Assets</b>					
Segment costs	3,276,420	923,947	180,110	4,002,266	8,382,743
<b>Total assets</b>					8,382,743
<b>Liabilities</b>					
Segment liabilities				629,190	629,190
<b>Total liabilities</b>					629,190

## Notes to the financial statements

For the half-year ended 31 December 2015

Consolidated – December 2014	Exploration and evaluation \$	Property development \$	Investments \$	Intersegment Eliminations/ Unallocated \$	Total \$
<b>Revenue</b>					
Other revenue				113,684	113,684
<b>Total revenue</b>				113,684	113,684
<b>EBITDA</b>					(726,093)
Depreciation and amortisation					(28,005)
Impairment of assets					(252,071)
Interest income					87,982
Finance cost					(72,820)
Share of net losses of associates					
<b>Loss before income tax benefit</b>					(991,007)
Income tax benefit					402,777
<b>Loss after income tax benefit</b>					(588,230)
<b>Assets</b>					
Segment assets	3,735,447	-	394,061	5,417,759	9,547,267
<b>Total assets</b>					9,547,267
<b>Liabilities</b>					
Segment liabilities	206,615	-	-	354,734	561,349
<b>Total liabilities</b>					561,349

### Note 3. Revenue

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Consultant fees	-	91,409
Management fees	-	-
Other Revenue	50,119	22,275
<b>Total Revenue</b>	<b>50,119</b>	<b>113,684</b>

### Note 4. Other income

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Interest income	35,378	87,982
<b>Other income</b>	<b>35,378</b>	<b>87,982</b>

## Notes to the financial statements

For the half-year ended 31 December 2015

### Note 5. Exploration and Evaluation

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Loss before income tax includes the following specific expenses :		
<i>Depreciation</i>		
Leasehold improvements		241
Plant and equipment	8,386	20,702
Motor vehicles		3,947
Total depreciation	8,386	24,890
<i>Amortisation</i>		
Computer software	1,057	3,115
Total depreciation and amortisation	9,443	28,005
<i>Impairment</i>		
Exploration and evaluation	10,000	252,071
<i>Finance costs</i>		
Interest and finance charges paid/payable	-	72,820
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	-	1,125
<i>Employee benefits expenses</i>		
Defined contribution superannuation expense	7,255	34,772
Share-based payments expense		61,500
Other wages and salaries	167,571	425,987
Total employee benefits expense	174,826	522,259

### Note 6. Current assets – cash and cash equivalents

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Cash on hand	-	1,100
Cash at bank	933,138	1,128,544
Cash on deposit	2,340,957	2,705,893
	3,274,095	3,835,537

### Note 7. Current assets – other financial assets

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Shares designated at fair value through profit or loss	48,228	38,449
Shares in unlisted corporations – at cost	131,882	134,171
	180,110	172,620

## Notes to the financial statements

For the half-year ended 31 December 2015

### Note 8. Non current assets - inventories accounted for using equity method

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Investment in associates	923,947	844,062

The company has a 70 percent interest in a joint venture to subdivide land in the Hunter Valley held by Hunter Valley Pty Ltd

Investments in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Activity	Ownership	
		Dec 2015	Jun 2015
Hunter Valley Pty Ltd	Property development	70.00%	70.00%
Central Iron Ore Limited	Mineral exploration	36.10%	36.10%

\* The shares in Our Field Pty Ltd are held by David Deitz (Chief Executive Officer) on behalf of Gullewa Limited.

### Note 9. Non-current assets – exploration and evaluation

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Exploration, evaluation and development assets – at cost	7,361,956	5,611,709
Cost reimbursement from Joint Vanture	(1,939,438)	(1,570,855)
Less : impairment	(2,146,098)	(722,348)
	<u>3,276,420</u>	<u>3,318,506</u>

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration, evaluation, development	Total
	\$	\$
Balance at 1 July 2014	3,905,043	3,905,043
Additions	1,706,666	1,706,666
Joint Venture - JOGMEC	(1,570,855)	(1,570,855)
Impairment of assets	(722,348)	(722,348)
Balance at 30 June 2015	<u>3,318,506</u>	<u>3,318,506</u>
Balance at 1 July 2015	3,318,506	3,318,506
Additions	326,497	326,497
Joint Venture - JOGMEC	(368,583)	(368,583)
Impairment of assets	-	-
Balance at 31 December 2015	<u>3,276,420</u>	<u>3,276,420</u>

The impairment expense during the current period relates to tenements that have been relinquished or have been written down to recoverable amount.

#### Note:

The company has entered into a joint venture agreement to acquire land for subdivision and resale.

## Notes to the financial statements

For the half-year ended 31 December 2015

### Note 10. Equity issued capital

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Ordinary shares fully paid	21,294,326	21,194,326

There are not movements in the issued capital of the company in either the current or prior half-years.

### Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 11. Fair value measurement

#### Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Consolidated – 31 Jun 2015</b>				
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	38,449			38,449
<b>Total assets</b>	<b>38,449</b>			<b>38,449</b>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Consolidated – 30 Dec 2015</b>				
<i>Assets</i>				
Financial assets at fair value through profit or loss – marketable securities	48,228			48,228
<b>Total assets</b>	<b>48,228</b>			<b>48,228</b>

There were no transfers between levels during the financial half-year.

### Note 12. Related party transactions

#### Parent entity

Gullewa Limited is the parent entity.

#### Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Other income:</i>		
Management fees from associate - Central Iron Ore Limited	-	22,275

## Notes to the financial statements

For the half-year ended 31 December 2015

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Payment for other expenses:</i>		
Consulting and administration fees paid to other related party, C Randall & Associates Pty. Limited	-	6,500
<i>Other transactions:</i>		
Wages paid to Mendel Deitz, son of David Deitz, a director of the parent entity.	16,455	15,034
Directors fees paid to Anthony Howland-Rose, a director of the parent entity.	20,000	-
Directors fees paid to David Deitz, a director of the parent entity.	71,175	71,175
Directors fees paid to Eddie Lee, a director of the parent entity.	9,500	19,000
<i>Receivable from and payable to related parties</i>		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Current receivables:	-	-
Trade receivables from other related party		
<i>Current payables:</i>		
Consulting and administration fees payable to other related party, C Randall & Associates Pty Limited	-	-
<i>Loans to/from related parties</i>		
The following balances are outstanding at the reporting date in relation to loans with related parties:		
Current receivables		
Loan to David Deitz, a director of the parent entity	64,527	37,472
<i>Current borrowings</i>		
Loan from C Randall & Associates Pty Limited	370,535	348,340

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

### Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Note 13. Share-based payments

#### Employee Option Scheme

Details of the Employee Option Scheme are disclosed in the annual financial report

Set out below are summaries of options granted under the plans:

## Notes to the financial statements

For the half-year ended 31 December 2015

December 2015

Grant date	Expiry date	Exercise Price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/03/2011	06/03/2016	\$0.2230	4,475,000	-	-	-	4,475,000
16/05/2011	15/05/2016	\$0.2230	1,000,000	-	-	-	1,000,000
16/05/2012	16/05/2017	\$0.1000	1,300,000	-	-	-	1,300,000
04/07/2012	04/07/2017	\$0.1000	5,000,000	-	-	-	5,000,000
05/12/2013	27/11/2018	\$0.0435	10,900,000	-	-	-	10,900,000
15/12/2015	29/11/2020	\$0.0156	12,250,000	-	-	-	12,250,000
			34,925,000	-	-	-	34,925,000

## Director declaration

31 December 2015

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) comply with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) give 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
2. in the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the directors



David Deitz  
Director  
15 March 2016  
Sydney



## **Independent Auditor's Review Report to the members of Gullewa Limited**

We have reviewed the accompanying half-year financial report of Gullewa Limited, which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a statement of accounting policies and selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of 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 consolidated entity'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 Gullewa 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.

### *Auditor's Independence Declaration*

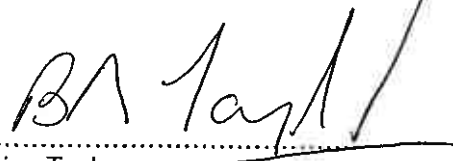
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gullewa Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Gullewa 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 the Corporations Regulations 2001.

**SCS Audit & Corporate Services Pty Ltd**

  
.....  
Brian Taylor  
Director

Sydney 15 March 2016