TARUGA GOLD

ACN 153 868 789

INTERIM FINANCIAL REPORT
31 DECEMBER 2015

CONTENTS

TARUGA GOLD

AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit the financial report of the Group 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 following persons were Directors of Taruga Gold Limited during the half-year and up to the date of this report unless otherwise stated:

		In office from	In office to
Frank Terranova	Non-executive Chairman	2 September 2013	present
Bernard Aylward	Managing Director	21 October 2011	present
Dan Smith	Non-executive Director	29 August 2014	present
Myles Campion	Non-executive Director	29 August 2014	present

COMPANY SECRETARY

		In office from	In office to
Dan Smith	Company Secretary	29 August 2014	present
Samuel Edis	Company Secretary	29 August 2014	24 September 2015

REVIEW OF OPERATIONS

Project Overview

Taruga Gold Limited (**Taruga** or the **Company**) has concessions located in Cote d'Ivoire, Mali and Niger. The Company has active Joint Ventures in Cote d'Ivoire with Newcrest Mining Limited (Newcrest) and with Resolute Mining Limited (Resolute) as well as additional concessions it is continuing to explore. In Mali, the Company has the Nangalasso and SLAM projects, and in Niger the Company continues to explore the Kossa project.

During the reporting period Taruga signed a Binding farm-in and joint venture ("JV") with top-tier gold producer, Newcrest Mining Limited (ASX:NCM) ("Newcrest") Taruga's 100% owned Dabakala Project, Cote d'Ivoire. Newcrest have commenced activities on the ground immediately and will be completing a major auger drilling programme in the next quarter.

COTE D'IVOIRE

About Cote d'Ivoire

Cote d'Ivoire released an updated Mining Code in 2014 and continues to develop legislation that offers incentives for mineral exploration and development of its mining industry. Cote d'Ivoire has approximately 35% of West Africa's Birimian sequence, while neighbouring Ghana has approximately 17% of the sequence. The Birimian Greenstone sequence of West Africa has a gold endowment of over 170 million ounces of gold, of which Ghana contains over 110 million ounces.

Cote d'Ivoire is historically underexplored, however in recent years mining companies have enjoyed successful exploration results.

The country now boasts several multi-million ounce gold deposits (including Amara Mining's 6Moz Yaoure deposit and Randgold resources 4.4Moz Tongon deposit), with four commercial scale mines in production.

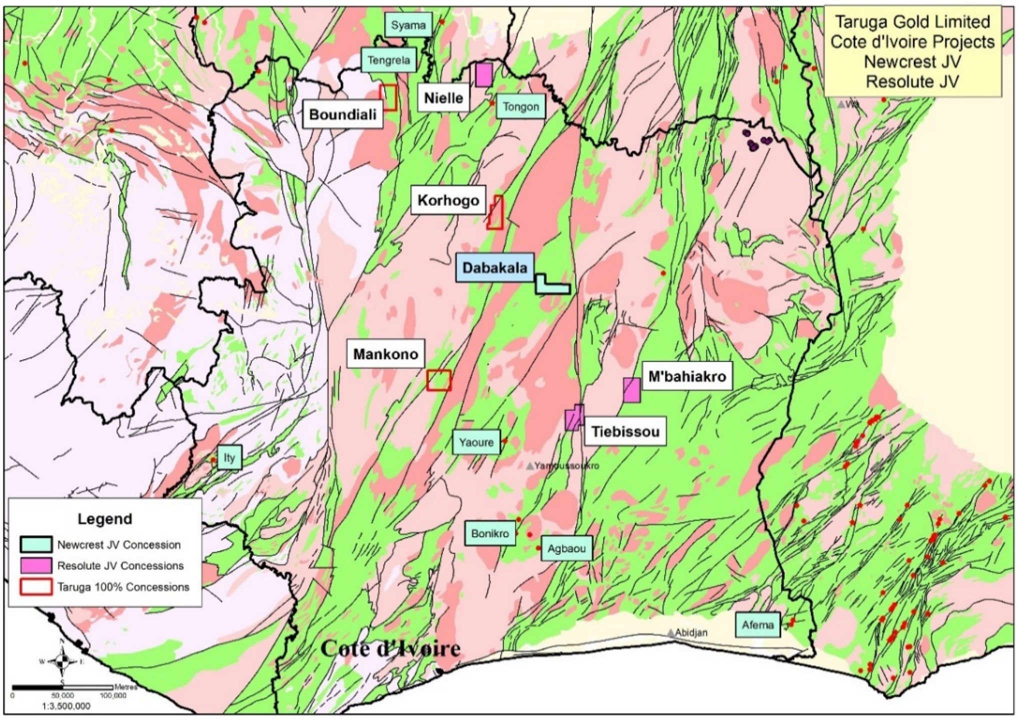

Figure 1 – Taruga Cote d'Ivoire Projects, indicating the Dabakala JV with Newcrest, the Resolute JV areas and Taruga concessions

Resolute Mining Limited Joint Venture

Resolute has complete geological mapping, geological interpretation and geochemical sampling.

During the reporting period, Resolute continued field activities with a major geochemical sampling program completed at the Tiebissou concession in central Cote d'Ivoire. A total of 1,277 samples were collected on the Joint Venture ground and initial results returned confirm a strong Gold-Arsenic-Antimony (Au-As-Sb) anomaly that is continuous from the Resolute ground to the Joint Venture ground. The anomaly is associated with a zone of strong shearing and geological complexity that is prospective for development of mineralisation.

Aircore drilling commenced in January and is expected to be complete with assays returned during the March quarter.

For the Nielle concession, located in northern Cote d'Ivoire, Resolute have undertaken geological review, mapping and planning of geochemical sampling. Exploration activities are expected to continue in the March quarter.

Newcrest Mining Limited Farm-in & Joint Venture Agreement (Cote d'Ivoire)

The Binding Farm-in and Joint Venture agreement with Newcrest for the Dabakala concession was finalised during the period. The Dabakala concession, located in central Cote d'Ivoire, is 100% owned by Taruga and adjoins concessions owned by Newcrest. Under the terms of the JV, Newcrest will have the ability to earn a 75% interest in a JV company in Cote d'Ivoire by incurring exploration expenditure of US$1.7m over three years.

Newcrest have immediately commenced activity on the project, with geological reconnaissance and mapping being completed over areas of known surface gold anomalism. Newcrest have planned auger sampling programmes to target potentially gold mineralised structures identified from early geochemical sampling and a programme of stream sediment sampling completed by Newcrest during the due diligence period.

The auger geochemical sampling program initially consists of 395 sample locations, with line clearing and preparation commenced in early January. The programme is expected to be completed in the March quarter.

About Dabakala

The Dabakala concession is located in central Cote d'Ivoire and is 100% owned by Taruga subsidiary company International Goldfields CIV SARL. The concession was granted to Taruga in 2014.

Taruga has completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure (Figure 2). The anomalies are regionally extensive and require infill geochemistry to define targets for reconnaissance drilling.

Newcrest has completed a regional stream sediment, rock chip and laterite sampling program as part of the project review which confirms the anomalous gold trends.

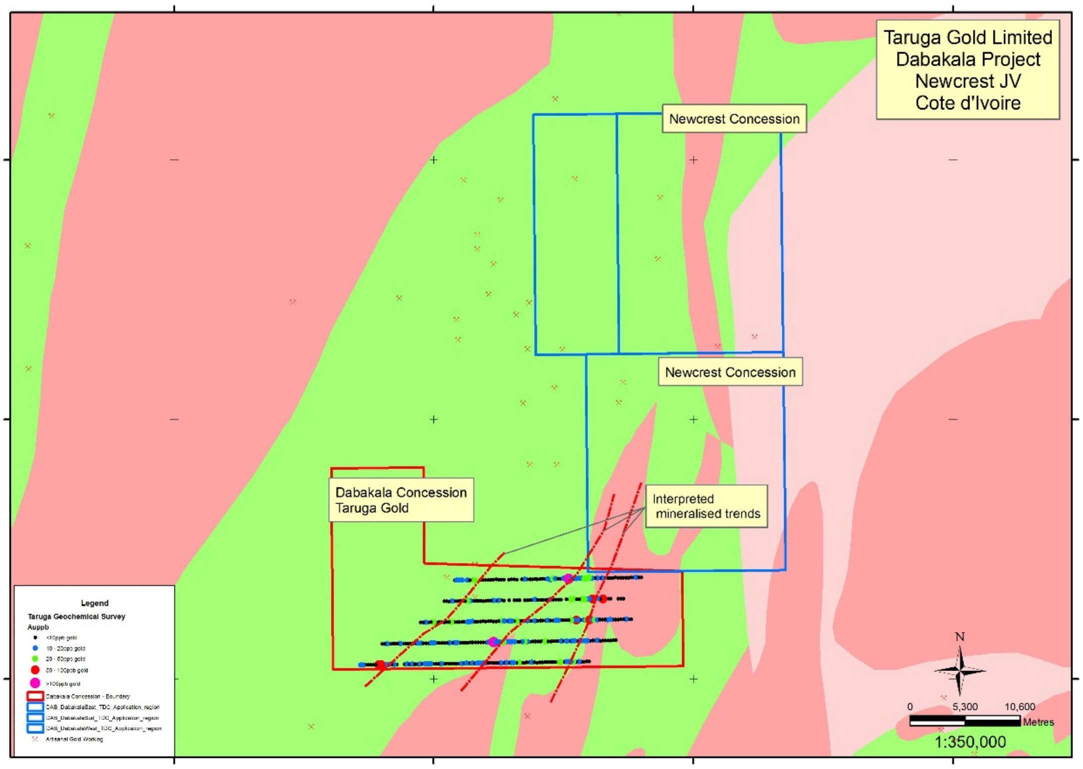

Figure 2 – Taruga Dabakala Project and adjacent Newcrest concessions.

Mali

The Company continued its review of landholding and proposed activities for its two high priority project areas in Mali - the Nangalasso project located in southeastern Mali and the SLAM project located in western Mali.

Exploration activities are proposed for the Nangalasso project where previous drilling has outlined extensive areas of gold anomalism. Recent field reconnaissance has highlighted new artisanal mining sites located adjacent to completed drilling and trenching and highlights the potential for near surface gold mineralisation to be defined. A programme of trenching, geochemical sampling and limited drilling is being planned.

For the SLAM project, the company has identified the Kambali prospect as high priority with geological reconnaissance locating areas of intensive artisanal mining. These areas are close to Taruga drilling and will be a focus of proposed field work that is planned to include trenching and limited drilling.

Niger

During reporting period, Taruga received notification from the Niger Government that is had been granted two additional exploration licences – Ounzerbi and Kouriki. These new licences adjoin the highly prospective Kossa project and were initially targeted by Taruga to follow-up identified gold mineralized trends. The Company now has 4 granted licences in Niger and has received confirmation from the Government of Niger that the Kossa 1 and Kossa 2 concessions had been renewed.

The company is currently compiling all available exploration information and completing a geological review of the concession area.

CORPORATE

Binding Farm-In Agreement on Dabakala Project, Cote d'Ivoire with Newcrest Mining Ltd with US$1.7million Exploration Spend

During the reporting period, the Company announced that it entered into a binding farm-in agreement with top-tier gold producer, Newcrest Mining Limited (ASX:NCM) ("Newcrest") ("Farm-in"). The Farm-in covers the 100% owned Dabakala concession in Cote d'Ivoire. Under the terms of the Farm-in, Newcrest will have the ability to earn a 75% interest of a proposed joint venture within three years, through committed exploration expenditure of US$1.7m.

Summary Terms of the Farm-in:

- Newcrest can earn a 75% interest in a joint venture company to be incorporated to hold the Dabakala concession by incurring exploration expenditure of US$1.7m within three years, with Taruga maintaining a 100% interest until this time.
- Newcrest to incur a minimum of US$750,000 expenditure before withdrawal.
- Newcrest have made a signature payment of US$50,000 on signing of the HoA and will make a further payment of US$50,000 on registration of security documents in Cote d'Ivoire.

Taruga executed this binding farm-in agreement with Newcrest to ensure that extensive exploration will be completed on the ground while maintaining significant exposure to exploration success. It is noted that if Newcrest withdraws from the Farm-in prior to completing the required US$1.7milliion expenditure, Taruga will retain 100% ownership of Dabakala.

Capital Raising

During the period, Taruga completed its capital raising activities (a combination of a placement to sophisticated and institutional investors and an SPP) which raised a total of $1,081,000 ($707,210 during this period). The Company raised the funds at an issue price of $0.0045 together with free attaching options (on a 1 for 1 basis) exercisable at $0.006 on or before 31 May 2017 (**Funding activities**).

The Placement was conducted in two tranches. Tranche 1 comprised 83,064,375 shares and was issued pursuant to the Company's placement capacity. Tranche 2 comprised an additional 139,157,847. Both tranches were approved by Shareholders at a General Meeting of the Company held on 7 July 2015. The SPP raised a total of $71,000, with shareholders subscribing for 15,777,775 fully paid ordinary shares at $0.0045 per share, each with one free attaching option exercisable at $0.006 on or before 31 May 2017.

Competent person's statement

The information in this report that relates to geological information and exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the Executive Chairman and Managing Director of Taruga Gold Limited and is a full-time employee of the company. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and 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 Aylward consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

AUDITORS' 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 section 306(3) of the Corporations Act 2001.

....
Bernard Aylward

Managing Director

Dated Perth 15 March 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Taruga Gold 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.

Norman Neill

Perth, Western Australia
15 March 2015

N G Neill
Partner, HLB Mann Judd

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

TARUGA GOLD

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015 AND CONTROLLED ENTITIES

	Consolidated	
	31 December 2015 $	31 December 2014 $
Revenue	140,856	2,828
Depreciation	(12,612)	(21,431)
Consultants	(206,343)	(130,425)
Professional fees	(31,699)	(45,803)
Travel and accommodation	(26,935)	(8,306)
Office and communication costs	(15,911)	(18,100)
Share based payments	-	(32,400)
Other expenses	(47,672)	(110,806)
	(200,316)	(364,443)
Foreign exchange loss	(19,483)	(221)
Loss before income tax	(219,799)	(364,664)
Income tax benefit	-	-
Net loss for the period	(219,799)	(364,664)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences on translation of foreign subsidiaries	(1,959)	(102,958)
Total comprehensive loss for the period	(221,758)	(467,622)
Basic and diluted loss per share (cents per share)	0.22	3.47

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

AND CONTROLLED ENTITIES

	Note	Consolidated 31 December 2015 $	Consolidated 30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		227,867	830,111
Trade and other receivables		106,418	54,741
Total Current Assets		334,285	884,852
NON CURRENT ASSETS			
Property, plant and equipment		45,899	68,500
Mineral exploration and evaluation	2	8,941,674	8,508,993
Total Non Current assets		8,987,573	8,577,493
TOTAL ASSETS		9,321,858	9,462,345
CURRENT LIABILITIES			
Trade and other payables		331,789	993,664
Total Current Liabilities		331,789	993,664
TOTAL LIABILITIES		331,789	993,664
NET ASSETS		8,990,069	8,468,681
EQUITY			
Issued capital	3	12,507,792	11,767,286
Reserves		598,721	598,040
Accumulated losses		(4,116,444)	(3,896,645)
TOTAL EQUITY		8,990,069	8,468,681

The accompanying notes form part of these financial statements.

	Issued Capital	Options Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
Half-year to 31 December 2014					
Balance at 1 July 2014	10,412,209	648,944	(3,204,179)	(23,082)	7,833,892
Shares issued	1,024,500	32,400	-	-	1,056,900
Share issue costs	(18,756)	-	-	-	(18,756)
Loss for the period	-	-	(364,664)	-	(364,664)
Exchange differences on translation of foreign subsidiaries	-	-	-	(102,958)	(102,958)
As at 31 December 2014	11,417,953	681,344	(3,568,843)	(126,040)	8,404,414
Half-year to 31 December 2015					
Balance at 1 July 2015	11,767,286	681,344	(3,896,645)	(83,304)	8,468,681
Shares issued	802,228	2,640	-	-	804,868
Share issue costs	(61,722)	-	-	-	(61,722)
Loss for the period	-	-	(219,799)	-	(219,799)
Exchange differences on translation of foreign subsidiaries	-	-	-	(1,959)	(1,959)
As at 31 December 2015	12,507,792	683,984	(4,116,444)	(85,263)	8,990,069

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

TARUGA GOLD

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

AND CONTROLLED ENTITIES

	Consolidated	
	6 months to 31 December 2015 $	6 months to 31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(174,672)	(501,282)
Interest income received	1,354	2,828
Net cash used in operating activities	(173,318)	(498,454)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(506,978)	(360,036)
Net cash used in investing activities	(506,978)	(360,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	154,375	1,017,767
Share transaction costs	(67,825)	(16,980)
Net cash provided by financing activities	86,550	1,000,787
Net (decrease)/increase in cash held	(593,746)	142,297
Cash and cash equivalents at the beginning of the period	830,111	239,484
Effect of exchange rate fluctuations on cash held	(8,498)	(42)
Cash and cash equivalents at the end of the period	227,867	381,739

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated 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 Group as in the full financial report.

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

Basis of preparation

The interim report has 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 report, the half-year has been treated as a discrete reporting period.

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

Reporting Basis and Conventions

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and Group's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund its and the Group's operations and further develop their mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding can be derived from either one or a combination of the following:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Accordingly, the Directors believe the Company will obtain sufficient funding to enable it and the Group to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. While the Directors are confident of the Group's ability to raise additional funding, should the Group be unable to do so, there exists a material uncertainty that the Group will continue to be a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, 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 judgements made by management in applying the Group'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 Group'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 Group and, therefore, no change is necessary to Group 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 Group and, therefore, no change is necessary to Group accounting policies.

NOTE 2 – MINERAL EXPLORATION AND EVALUATION

	Consolidated	
	Half-year to 31 December 2015 $	Year to 30 June 2015 $
Balance at beginning of period	8,508,993	7,944,634
Expenditure incurred during the period	429,003	616,473
Foreign exchange movement	3,678	(52,114)
Total deferred exploration and evaluation expenditure	8,941,674	8,508,993

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 3 - ISSUED CAPITAL

	Consolidated	
Ordinary Shares	31 December 2015 $	30 June 2015 $
Issued and fully paid	12,507,792	11,767,286

Movements in ordinary share capital of the Company were as follows:

Half-year to 31 December 2014

	Shares	$
Opening balance at July 2014	160,616,000	10,412,209
Placement 27 August 2014	40,000,000	200,000
Placement 30 September 2014	12,641,502	67,000
Placement 7 October 2014	145,000,000	725,000
Shares issued in lieu of professional fees	6,500,000	32,500
Share issue costs		(18,756)
Closing balance at 31 December 2014	364,757,502	11,417,953

Half-year to 31 December 2015

Opening balance at July 2015	447,821,877	11,767,286
Share based payment 10 July 2015	15,777,775	71,000
Placement 17 July 2015	139,157,847	626,210
Partial placement of SPP Shortfall 17 July 2015	2,222,222	10,000
Share issued in lieu of accrued directors' fees 17 July 2015	19,333,332	87,000
Consolidation 1:25 29 July 2015	(599,340,483)	-
Shares issued to advisor in lieu of cash 16 October 2015	97,777	8,018
Share issue costs		(61,722)
Closing balance at 31 December 2015	25,070,347	12,507,792

Movements in options were as follows:

Half-year to 31 December 2014

		Options	$
Opening balance at 1 July 2014	(i)	15,000,000	648,944
Free attaching options (Tranche 2 placement)	(ii)	46,250,000	-
Options issued to management	(iii)	6,000,000	32,400
Closing balance at 31 December 2014		67,250,000	681,344

Half-year to 31 December 2015

Opening balance at 1 July 2015		67,250,000	681,344
Free attaching options 17 July 2015	(iv)	240,222,219	-
Consolidation 1:25 29 July 2015		(295,173,320)	-
Options issued to advisor in lieu of cash 16 October 2015		97,777	2,640
Closing balance at 31 December 2015		12,396,676	683,984

(i) Exercisable at $5.00 on or before 31 January 2016
(ii) Exercisable at $0.50 on or before 1 December 2016
(iii) Exercisable at $0.50 on or before 1 December 2016
(iv) Exercisable at $0.15 on or before 31 May 2017

NOTE 4 - CONTINGENT LIABILITIES

Taruga Gold Limited and its controlled entities have no known material contingent liabilities as at 31 December 2015.

NOTE 5 - SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Taruga Gold Limited. The Company operates in one operating segment therefore disclosures are consistent with the financial reports.

NOTE 6 – EVENTS SUBSEQUENT TO BALANCE DATE

On 15 March, the Company announced a maiden JORC compliant resource (2.7Mt @1.3g/t gold for 112,000ozs gold) at its Kossa Project in Niger.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of these operations, or the state of affairs in future financial years.

In the opinion of the directors of Taruga Gold 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 Group’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.

Bernard Aylward

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Bernard Aylward

Managing Director

Dated Perth 15 March 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Taruga Gold Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Taruga Gold 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 Group 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 Group'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 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.

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Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.

Independence

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

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 Taruga Gold Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group'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*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 to the financial report which indicates that the Group is dependent on obtaining sufficient funding to enable it to continue as a going concern.

Should the Group be unable to obtain sufficient funding, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
15 March 2016