

**WELCOME STRANGER MINING LIMITED
ABN 69 007 670 386
AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

CONTENTS

	Page No.
Directors' Report	2
Auditor's Independence Declaration	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	12
Independent Review Report	13

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

Welcome Stranger Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is Suite 8, Floor 6, 55 Miller St. Pyrmont Sydney NSW 2009. The registered office is Suite 8, Floor 6, 55 Miller St. Pyrmont Sydney NSW 2009.

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of Welcome Stranger Mining Limited and the entities it controlled. The following persons held office as Directors at any time during or since the end of the reporting period.

Current directors:

The details of each of the current Directors' position, date of appointment, qualifications, experience and expertise and assessment of independence is listed in the table below.

Tony Crimmins	Director (Non Executive) appointed 7 October 2010
George Sim	Director (Non Executive) - appointed 31 July 2013
Adrian Horbach	Director (Non Executive) - appointed 13 September 2013

Previous directors:

Greg Cornelsen	Director (Non Executive) - appointed 7 October 2010 – resigned 13 September 2013
Steve Nicols	Chairman (Non Executive) - appointed 7 October 2010 – resigned 31 July 2013

Review of operations

On 21 September 2012 Welcome Stranger Mining Limited announced it had entered into two Memoranda of Agreement (MOAs):

- MOA1 - between Welcome Stranger Mining Limited, NiHAO Mineral Resources International Inc (NiHAO) and Capital Gold Pty Limited (Capital Gold); and
- MOA2 - between Welcome Stranger Mining Limited, Dizon Copper-Silver Mines Inc (Dizon) and Capital Gold.

a) MOA 1 - agreement with NiHAO and Capital Gold

The first MOA (with NiHAO and Capital Gold) is for the acquisition of 40% of the issued share capital of Masbate 13 Philippines Inc, (Masbate 13), a subsidiary of NiHAO. Masbate 13 is the registered holder of the exploration licence in respect of the gold, copper prospect of the Mandaon tenement in the Philippines.

Subject to the satisfaction of certain conditions, the Company shall acquire 40% of the share capital of Masbate 13 in exchange for issuing 50 million shares to NiHAO at an indicative listing market value of \$0.20 per share.

The Company will also pay NiHAO cash consideration of US\$250,000.

The Company will also have the option to buy an additional 40% of share capital of Masbate 13 upon terms and conditions acceptable to NiHAO.

b) MOA 2 - agreement with Dizon and Capital Gold

The Second MOA (with Dizon and Capital Gold) is for the acquisition of the exclusive mining, processing and operational rights to the Dizon Zambales copper silver gold tailings dam mine in the Philippines.

A new company (**Tailings Newco**) will be incorporated under the laws of the Philippines for the purposes of acquiring the Tailings Rights and it will have the following structure:

- 50% of the share capital of **Tailings Newco** held by Dizon – consideration paid shall be deemed the value of the Tailing Rights;
- 50% of the share capital of **Tailings Newco** held by Capital Gold – consideration paid shall be deemed:
 - a. the payment of all fines and penalties incurred by Dizon and
 - b. the payment of operating expenses of **Tailings Newco** – sufficient to fully fund the start up operations carried on by **Tailings Newco**.

As part of the transaction, Capital Gold will also pay US \$ 1.5 million to Dizon as reimbursement for the upkeep and maintenance the Tailings Dam mine site to date.

The above parties shall then sell their shares in **Tailings Newco** to Welcome Stanger Mining Limited in exchange for:

DIRECTORS' REPORT (continued)

Review of operations (continued)

- Dizon receiving 90 million shares in Welcome Stanger Mining Limited at an indicative market price of A\$0.20; and
- Capital Gold receiving 80 million shares in Welcome Stanger Mining Limited at an indicative market price of A\$0.20.

c) **Conditions Precedent**

The transactions contemplated under the two MOAs are subject to a number conditions precedent including:

- (a) The parties entering into formal agreements in relation to the subscription of shares;
- (b) Completion of legal and technical due diligence by Dizon and NIHAO on Welcome Stranger Mining Limited and Capital Gold;
- (c) Dizon and NIHAO being satisfied that Capital Gold and Welcome Stranger Mining Limited have the financial, legal, operational, and technical capabilities to undertake the transactions;
- (d) The granting of an environmental licence over the Tailing Rights to Dizon or to **Tailings Newco**, to clean up, operate, and rehabilitate the Tailings Dam mine site;
- (e) Capital Gold receiving a satisfactory legal opinion as to the validity and enforceability of the agreements under applicable Philippines laws;
- (f) Welcome Stranger Mining Limited shareholders approving the transactions;
- (g) Welcome Stranger Mining Limited obtaining all other regulatory approvals in accordance with the Corporations Act 2001 (Australia), the ASX Listing Rules and the Company's constitution;
- (h) ASX providing a list of conditions (including re-comply with Chapters 1 and 2 of the ASX listing rules) that once satisfied, will result in ASX lifting the suspension on the Company's shares trading on ASX; and
- (i) Capital Gold able to raise (via its entry into Welcome Stranger Mining Limited) the necessary financial requirements under the relevant MOAs.

h) **Consolidation of Company's capital and subsequent capital raisings**

Subject to shareholder approval, the existing issued share capital of Welcome Stranger Mining Limited will be consolidated on a 20 to one basis (Consolidation).

Also, subject to shareholder, ASX and ASIC approval, Welcome Stranger Mining Limited plans to raise \$5 million through the issue of 25 million shares (post Consolidation) at an issue price of \$0.20 per Share (Capital Raising).

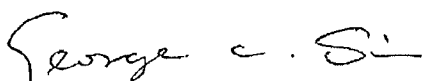
Upon completion of the Consolidation, the Capital Raising and the two MOAs (but still subject to final valuation of the assets and properties to be infused into Welcome Stranger Mining Limited), the parties will have the following shareholdings:

1. Original shareholders	9,120,452	(3.59%)
2. Capital Gold	80,000,000	(31.48%)
3. Dizon	90,000,000	(35.42%)
4. NIHAO	50,000,000	(19.68%)
5. New shareholders (after capital raising)	25,000,000	(9.84%)
Total	254,120,452	(100%)

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 31 December 2012 has been received and can be found on page 4 of this Half Year Report.

Signed this 19th day of February 2015 in accordance with a resolution of the Directors.



Mr George Sim (Director)



Mr Tony Crimmins (Director)



Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

Level 11, Suite 11.01
60 Castlereagh Street
SYDNEY NSW 2000

GPO Box 4836
SYDNEY NSW 2001

Telephone: +61 2 9951 5400
Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

Website: www.wwnsw.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2012 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the audit.


Walker Wayland NSW
Chartered Accountants


Grant Allsopp
Partner

Dated this 19th day of February 2015, Sydney

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2012

Consolidated Group			
		31 Dec 2012	31 Dec 2011
	Note	\$	\$
Revenue	2	116,000	-
ASX Registry Fees		(19,904)	(23,698)
Bank Charges		(81)	(89)
Professional Fees		(58,898)	(2,310)
Other expenses		(8,220)	(3,175)
Profit (Loss) before income tax		28,897	(29,272)
Income tax expense		-	-
Profit/(loss) for the period		28,897	(29,272)
Other Comprehensive Income for the period		-	-
Total Comprehensive Income for the period		28,897	(29,272)
Profit / (loss) attributable to members of the parent entity		28,897	(29,272)
Total comprehensive Income attributable to members of the parent entity		28,897	(29,272)
Basic earnings per share from operations		0.0	(0.0)
Diluted earnings per share from operations		0.0	(0.0)

The above statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	30 June 2012
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	40,902	139
Trade and other receivables	2,884	3,319
TOTAL CURRENT ASSETS	43,786	3,458
NON-CURRENT ASSETS		
TOTAL NON-CURRENT ASSETS	-	-
TOTAL ASSETS	43,786	3,458
CURRENT LIABILITIES		
Trade and other payables	27,500	1,069
Loans from Associates	35,000	-
Unearned Revenue	-	50,000
TOTAL CURRENT LIABILITIES	62,500	51,069
TOTAL LIABILITIES	62,500	51,069
NET ASSETS	(18,714)	(47,611)
EQUITY		
Contributed equity	24,631,777	24,631,777
Accumulated losses	(24,650,491)	(24,679,388)
TOTAL EQUITY	(18,714)	(47,611)

The above statement of financial position is to be read in conjunction with the notes to the financial statements.

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2012

	CONTRIBUTED EQUITY	ACCUMULATED LOSSES	OTHER RESERVES	TOTAL
Consolidated Group	\$	\$	\$	\$
Balance at 1 July 2011	24,591,627	(24,605,875)	-	(14,248)
Capital Contributions	40,150	-	-	40,150
Profit for the period	-	(29,272)	-	(29,272)
Total comprehensive income for the period	-	(29,272)	-	(29,272)
Balance at 31 December 2011	24,631,777	(24,635,147)	-	(3,370)
Balance at 1 July 2012	24,631,777	(24,679,388)	-	(47,611)
Profit for the period	-	28,897	-	(28,897)
Total comprehensive income for the period	-	28,897	-	(28,897)
Balance at 31 December 2012	24,631,777	(24,650,491)	-	(18,714)

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements.

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		31 Dec 2012	31 Dec 2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(60,237)	(39,445)
Net cash provided by (used in) operating activities		(60,237)	(39,445)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of mining Tenement		66,000	-
Net cash provided by (used in) investing activities		66,000	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Commercial loan funds received		35,000	-
Commercial loan funds paid		-	(10,000)
Proceeds from issue of securities		-	40,150
Net cash provided by (used in) financing activities		35,000	30,150
CASH			
Net increase in cash held		40,763	(9,295)
Net Foreign exchange differences		-	-
Cash at beginning of reporting period		139	13,766
Cash at end of reporting period		40,902	4,471

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

This financial report includes the consolidated financial statements and notes of Welcome Stranger Mining Limited and controlled entities ('Consolidated Group' or 'Group').

1. Statement of Significant Accounting Policies

Basis of Preparation

The half-year consolidated financial statements are 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.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Welcome Stranger Mining Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the Consolidated Group and are consistent with those in the June 2012 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

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

New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the half-year reporting period. The Group's assessment of the impact of these new standards and interpretations is that they will result in no significant changes to the amounts recognised or matters disclosed in future half-year report.

Reporting Basis and Conventions

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

New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the half-year reporting period. The Group's assessment of the impact of these new standards and interpretations is that they will result in no significant changes to the amounts recognised or matters disclosed in future half-year report.

Going concern

The financial statements have been prepared on a going-concern basis notwithstanding that the Consolidated Entity incurred an operating profit after income tax of \$ 28,897 as at 31 December 2012. (31 December 2011 loss of \$29,272)

The Consolidated Entity is currently in the final process of recapitalising its operations. Accordingly, the Director's are of the opinion that the Company will be able to meet its current trade and other payables, as well as repay its debts as and when they fall due. Therefore, the Directors are of the opinion that the financial statements be prepared on a going-concern basis.

The stated purpose of the Company on exit from liquidation is to recapitalise and to seek opportunities to enable the reinstatement of its securities to official quotation on the ASX. The Company intends to expand its royalties and tenement as well as seeking other business opportunities within the gold mining sector and other investments that will add shareholder value.

In the event that Welcome Stranger Mining Limited is unable to realise its object of obtaining profitable opportunities or complete any further capital raisings it will be required to realise its assets and extinguish its liabilities in a manner other than in the normal course of business such as voluntarily administration. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	31 Dec 2011
NOTE 2: REVENUE	\$	\$
Revenue from sale of mining tenements	116,000	-
Total Revenue	116,000	-

NOTE 3: DIVIDENDS

No dividend (2011: \$NIL) was declared in respect of the year ending 31 December 2012.

NOTE 4: CONTRIBUTED EQUITY

	Note	Consolidated Group	
		31 Dec 2012	31 Dec 2011
		No.	No.
a. No. of shares capital issued			
No. of issued ordinary shares at beginning of period		182,409,044	178,394,044
Shares issued during the year	(i)	-	4,015,000
No. of issued and paid up shares at reporting date		182,409,044	182,409,044
b. Value of share capital issued			
		\$	\$
Value of ordinary shares at beginning of reporting period		24,631,777	24,591,627
Shares issued during the year	(i)	-	40,150
		24,631,777	24,631,777

- (i) On 29 November 2011, the Company issued 4,015,000 fully paid shares to enable lenders to convert their loans to shares. The issue price for the shares was 1 cent per share (\$ 40,150)

NOTE 5: SEGMENT REPORTING

Primary Reporting — Business Segments

During the year the Company was predominately dormant. The Company was placed in voluntary administration in June 2009 and all the key management and employees left the Company in the first half of the year. The Company nowadays operates in one segment only as a holding administration company located and operating in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

NOTE 6: EVENTS AFTER THE BALANCE SHEET DATE

On 1 October 2013, the Company announced the remaining legal agreements to give effect to the above transaction have been received and will be executed shortly.

On the 26 May 2014 at a general meeting of shareholders, the following resolutions were approved

- That every 20 shares in the company be consolidated to one Share
- Approval was given to make a significant change in the nature of its activities from a secure payments company to a mineral resources development company.
- The Company approved and authorized the Directors to allot and issue to the Capital Gold vendors, in accordance with the Capital Gold SPA, a total of 80,000,000 shares (on a post-consolidation-basis) to the Capital Gold Vendors,
- The Company approved and authorized the Directors to allot and issue to Dizon in accordance with the Dizon-SPA a total of 90,000,000 shares (on a post consolidation basis) to Dizon
- The Company approved and authorized the Directors to allot and issue to Oregalore or its nominee in accordance with the Masbate 13 SPA, a total of 50,000,000 shares (on a post consolidation basis).
- The Company approved and authorized the Directors to issue and allot up to 25,000,000 shares (on a post consolidation basis) at an issue price of \$0.20 each to be issued and allotted pursuant to a prospectus.
- Antonio Victoriano Gregorio III was elected as a Director on and from the completion of the above acquisitions
- Helen Tiu was elected as a Director on and from the completion of the above acquisitions

On 13 November 2014 the Company entered into a \$57,990 convertible loan with an unrelated party. The loan may only be converted with shareholders in general meeting voting to approve conversion of the loan into shares at an issue price of A\$0.005 cents per share.

On 18 November 2014, the Company entered into a \$83,475 convertible loan with an unrelated party. The loan may only be converted with shareholder in general meeting voting to approve the conversion of the loan into shares at an issue price of A\$0.005 cents per share.

On 30 January 2015, the Company entered into a \$20,000 convertible loan with an unrelated party. The loan may only be converted with shareholders in general meeting voting to approve the conversion of the loan into shares at an issue price of A\$0.005 cents per share.

Other than the matters detailed above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of these operations, or the state of the affairs of the Consolidated Entity in future financial periods.

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities accounted for as at 31 December 2012 and there has been no change in contingent liabilities since the last annual reporting date.

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

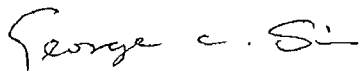
DIRECTORS' DECLARATION

In the opinion of the directors,

1. The financial statements and notes, as set out on pages 4 to 11 are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. giving a true and fair view of the Consolidated Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that Welcome Stranger Mining Limited 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.

Signed this 19th day of February 2015 in accordance with a resolution of the Board of Directors.



Mr George Sim (Director)



Mr Tony Crimmins (Director)

Independent Auditors Review Report

To the members of Welcome Stranger Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Welcome Stranger Mining Limited and controlled entities which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the financial period.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with AASB 134 Interim Financial Reporting including: giving a true and fair view of the consolidated entities financial position as at 31 December 2012 and its performance for the half-year ended on that date and complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Welcome Stranger Mining 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.

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 Welcome Stranger Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

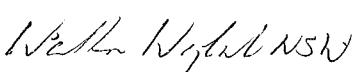
Conclusion

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 Welcome Stranger Mining Limited and controlled entities is not in accordance with the *Corporations Act 2001* Including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) Complying with AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which states that in the event that the Group is unable to realise its object of obtaining profitable opportunities or complete any further capital raisings it will be required to realise its assets and extinguish its liabilities in a manner other than in the normal course of business.



Walker Wayland NSW
Chartered Accountants



Grant Allsopp
Partner

Dated this 19th day of February 2015, Sydney