

**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**

ABN 35 108 146 694

**HALF YEAR FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

# **CANNINDAH RESOURCES LIMITED**

## **(previously Planet Metals Limited)**

### **DIRECTORS' REPORT**

Your Directors submit their report for the half year ended 31 December 2014.

### **Directors**

The names of the Company's Directors in office during the half year and until the date of this report are set out below. All Directors held office for the whole of the period unless otherwise stated.

Thomas J Pickett – Executive Chairman  
Laurie Johnson – Non- executive Director  
John Hamilton – Non- executive Director  
Adam Colrain – Non- executive Director

### **Review of Operations**

The loss for the consolidated entity for the half year ended 31 December 2014 was \$262,703, (2013: \$343,778).

The six month period to 31 December 2014 saw the Company announce its intention to focus directly on the Mt Cannindah asset as its flagship project. This announcement followed a detailed review of the work completed by the previous joint venture partner along with a further review of historical exploration data by the Company and its expert consultants. The review prompted a change in strategy to establish new targets for gold and copper mineralisation over both the mining lease area and the surrounding EPMs. As a result of the reviews, the Company applied for and was granted a new tenement (EPM 25537) which extended the Mt Cannindah project area to the south.

Exploration activities in the six months to 31 December 2014 were focussed on the Mt Cannindah project and included:

- Obtaining and assessing rock chip samples from United Allies, Monument, and Lifesaver prospect areas.
- Obtaining new float samples to follow up the high grade float material obtained in June 2014 at the Little Wonder prospect.
- Trenching and channel sampling in the vicinity of the location of the float samples.
- Stream sediment sampling to support a linking of the "Little Wonder" prospect to the "Midway" and "Cannindah East" prospects. This survey also outlined a potential new area of interest west of the known resources at the Mt Cannindah site.

In recognition of the Company's commitment to the Mt Cannindah project, Shareholders agreed to a proposal put to the Annual General Meeting to change the name of the Company to Cannindah Resources Limited.

In January 2015, a Heads of Agreement for the provision of a \$2m secured loan facility from a private investor was signed. The proceeds of this loan will fund the Company's planned exploration activities at the Mt Cannindah project and administration costs.

## Going Concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

On 30 January 2015, the Company announced that it had entered into a Heads of Agreement with a private investor for the provision of a \$2m secured loan facility to fund the company's ongoing exploration and administration costs. The terms of this facility are set out in further detail in the subsequent events note (note 5). On 10 March 2015, the Company announced execution of the loan documents.. With the announcement of this funding, the Directors believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

## Subsequent Events

As noted above, on 30 January 2015 the Company announced that it had entered into a heads of agreement with a private investor for the provision of a \$2m secured loan facility to fund the company's ongoing exploration and administration costs. On 10 March 2015, the Company announced execution of the loan documents. The material terms of the facility are as follows:

- \$2,000,000 facility, to be drawn down monthly for approved exploration with up to \$1.4 million available in the first 12 months. These further monthly drawdowns are dependent on the lender approving the exploration expenditure plan;
- 12 month term with the right to extend for 2 further periods of 12 months;
- Capitalised interest rate of 15% pa;
- Secured by the Mt Cannindah project;
- An establishment fee payable by the issue to the lender of 12 million shares in CAE;
- If CAE elects to extend the facility for an additional 12 months, extension fees will be incurred (for each extension) being the greater of \$200,000 or the 20 day VWAP of 12 million shares at that time. This fee may be paid by the issue of a further 12 million shares in lieu of a cash payment, at the election of the lender subject to compliance with the ASX Listing Rules and Corporations Act and a cash payment will be made in the absence of CAE being able to issue the shares.

No other matters or circumstances have arisen since 31 December 2014, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

## Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

Signed in accordance with a resolution of the Directors pursuant to section 306(3) (a) of the Corporations Act 2001.



T.J. Pickett  
**Executive Chairman**  
Gold Coast  
12 March 2015

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**Auditor's Independence Declaration  
To the Directors of Cannindah Resources Limited (formerly Planet Metals Limited)**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Cannindah Resources Limited (formerly Planet Metals Limited) for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M S Bell  
Partner - Audit & Assurance

Brisbane, 12 March 2015

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**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**for the half year ended 31 December 2014**

	Note	Consolidated 2014 \$	2013 \$
<b>Revenue</b>			
Revenue	2	6,543	17,976
<b>Expenses</b>			
Employee benefits expense		(66,663)	(153,835)
Exploration & evaluation expenditure w/off		(49,292)	(23,628)
Depreciation and amortisation expense		(4,888)	(4,887)
Administrative expenses		(148,403)	(179,404)
<b>Loss before income tax expense</b>		<b>(262,703)</b>	<b>(343,778)</b>
Income tax expense		-	-
<b>Profit / (Loss) attributable to members of the company</b>		<b>(262,703)</b>	<b>(343,778)</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income / (loss) for the year attributable to the members of the company</b>		<b>(262,703)</b>	<b>(343,778)</b>
Basic earnings and diluted earnings per share (cents per share)		(0.33)	(0.47)

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2014**

	Note	Consolidated 31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	184,678	636,947
Trade and other receivables		6,618	9,589
<b>Total Current Assets</b>		<b>191,296</b>	<b>646,536</b>
<b>NON CURRENT ASSETS</b>			
Financial assets		84,746	82,746
Plant and equipment		13,166	18,054
Exploration and evaluation expenditure		2,988,030	2,801,941
<b>Total non-Current Assets</b>		<b>3,085,942</b>	<b>2,902,741</b>
<b>TOTAL ASSETS</b>		<b>3,277,238</b>	<b>3,549,277</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		68,375	83,503
Provisions		17,707	11,915
<b>Total Current Liabilities</b>		<b>86,082</b>	<b>95,418</b>
<b>TOTAL LIABILITIES</b>		<b>86,082</b>	<b>95,418</b>
<b>NET ASSETS</b>		<b>3,191,156</b>	<b>3,453,859</b>
<b>EQUITY</b>			
Contributed equity		45,993,552	45,993,552
Share option reserve		395,614	395,614
Accumulated losses		(43,198,010)	(42,935,307)
<b>TOTAL EQUITY</b>		<b>3,191,156</b>	<b>3,453,859</b>

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the half year ended 31 December 2014**

		Consolidated			
	Note	Share Capital	Share Option Reserve	Accumulated Losses	Total
		\$	\$	\$	\$
<b>2013</b>					
Balance at 1 July 2013		45,893,552	395,614	(42,322,904)	3,966,262
Shares issued during the period (net of costs)		100,000	-	-	100,000
Loss attributable to members of the company		-	-	(343,778)	(343,778)
<b>Balance at 31 December 2013</b>		<b>45,993,552</b>	<b>395,614</b>	<b>(42,666,682)</b>	<b>3,722,484</b>
<b>2014</b>					
Balance at 1 July 2014		45,993,552	395,614	(42,935,307)	3,453,859
Loss attributable to members of the company		-	-	(262,703)	(262,703)
<b>Balance at 31 December 2014</b>		<b>45,993,552</b>	<b>395,614</b>	<b>(43,198,010)</b>	<b>3,191,156</b>

The accompanying notes form part of this financial report

**CANNINDAH RESOURCES LIMITED**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half year ended 31 December 2014**

	Note	Consolidated 2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		6,543	20,852
Payments to suppliers and employees		(241,911)	(385,233)
<b>Net cash provided by (used in) operating activities</b>		<b>(235,367)</b>	<b>(364,380)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditure		(216,902)	(301,822)
<b>Net cash provided by (used in) investing activities</b>		<b>(216,902)</b>	<b>(301,822)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from issue of shares		-	100,000
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>100,000</b>
Net increase / (decrease) in cash and cash equivalents during the period		(452,269)	(566,202)
Cash and cash equivalents at beginning of period		636,947	1,564,379
<b>Cash and cash equivalents at end of period</b>	3	<b>184,678</b>	<b>998,177</b>

The accompanying notes form part of this financial report



**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half year ended 31 December 2014**

**1. Basis of Preparation and Accounting Policies**

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting standards.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Planet Metals Limited (now Cannindah Resources Limited) as at 30 June 2014, together with any public announcements made by Cannindah Resources Limited / Planet Metals Limited during the interim reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2014 annual report.

**Going Concern**

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

On 30 January 2015, the Company announced that it had entered into a heads of agreement with a private investor for the provision of a \$2m secured loan facility to fund the company's ongoing exploration and administration costs. The terms of this facility are set out in further detail in the subsequent events note (note 5). On 10 March 2015, the Company announced execution of the loan documents. With the announcement of this funding, the Directors believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

<b>Consolidated</b>	
<b>Half year ended 31 December 2014</b>	<b>Half year ended 31 December 2013</b>
<b>\$</b>	<b>\$</b>

**2. Revenue and other income**

The following items are relevant in explaining the financial performance for the period:

**Revenue**

Interest received from other persons	<b>6,543</b>	<b>17,976</b>
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**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half year ended 31 December 2014**

**3. Cash and Cash Equivalents**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<b>184,678</b>	<b>636,947</b>

**4. Expenditure Commitments and Contingent Liabilities**

There were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

**5. Subsequent Events**

On 30 January 2015 the Company announced that it had entered into a heads of agreement with a private investor for the provision of a \$2m secured loan facility to fund the company's ongoing exploration and administration costs. On 10 March 2015, the Company announced execution of the loan documents. The material terms of the facility are as follows:

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No other matters or circumstances have arisen since 31 December 2014, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**CANNINDAH RESOURCES LIMITED**  
**(previously Planet Metals Limited)**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes:
  - a). comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' 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 made in accordance with a resolution of the Board of Directors.



Thomas J. Pickett  
**Executive Chairman**  
Gold Coast  
12 March 2015

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**Independent Auditor's Review Report  
To the Members of Cannindah Resources Limited (formerly Planet Metals Limited)**

We have reviewed the accompanying half-year financial report of Cannindah Resources Limited (formerly Planet Metals Limited) ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

**Directors' responsibility for the half-year financial report**

The directors of Cannindah Resources Limited (formerly Planet Metals Limited) 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Cannindah Resources Limited (formerly Planet Metals Limited) consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

Financial Reporting and the Corporations Regulations 2001. As the auditor of Cannindah Resources Limited (formerly Planet Metals 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 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 Cannindah Resources Limited (formerly Planet Metals 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 2014 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 regarding going concern**

Without qualification to the conclusion expressed above, we draw attention to Note 1 to the financial statements, which indicates that the Company is dependent on being able to satisfy the requirements of the lender, under the terms of the facility agreement, being that further drawdowns on the loan may only be received on a monthly basis if the exploration expenditure plan is accepted by the lender. 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 Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M S Bell  
Partner - Audit & Assurance

Brisbane, 12 March 2015