



Mesa Minerals Limited
ABN 38 009 113 160

Interim Report - 31 December 2013

Mesa Minerals Limited

Contents

31 December 2013

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Mesa Minerals Limited
Corporate directory
31 December 2013

Directors	<i>Non-executive chairman:</i> N Coldham-Fussell <i>Non-executive directors:</i> CJ Ellison BA Goulds
Company secretary	Bruce Goulds
Registered office	1 Sleat Road Applecross WA 6153 P: + 61 8 9329 3600 F: + 61 8 9329 3601 Postal address: Locked Bag 3, Canning Bridge, Applecross WA 6153
Principal place of business	1 Sleat Road Applecross WA 6153
Share register	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA 6000 P: + 61 8 9323 2000 F: + 61 8 9322 2033 www.computershare.com.au/
Auditor	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000 P: + 61 8 9261 9100 F: + 61 8 9261 9111 www.rsmi.com.au
Bankers	National Australia Bank 100 St Georges Terrace Perth WA 6000 www.nab.com.au
Stock exchange listing	Mesa Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: MAS)

Mesa Minerals Limited

Directors' report

31 December 2013

The directors present their report, together with the financial statements and the independent auditor's report of Mesa Minerals Limited and the entities it controlled for the half-year ended 31 December 2013.

Directors

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

N Coldham-Fussell

A Scott (Resigned 31 January 2014)

CJ Ellison

BA Goulds

Principal activities

The principal activities of the consolidated entity during the financial year were to develop its jointly held Ant Hill and Sunday Hill manganese ore mining tenements in the Pilbara district of Western Australia, and to move towards commercialisation of the consolidated entity's mineral processing technologies, in order to enable the development of secondary processing facilities utilising low grade manganese ores and wastes.

Review of operations

Joint venture

Mesa, as a participant in the Mesa Mining Joint Venture, continued to hold the Ant Hill mine site on 'care and maintenance' throughout the year, while undertaking ongoing evaluation and technical assessments of the resource.

Port access rights

Mesa is a founding customer of the Port Hedland Port Authority's ("PHPA") Utah Point development, which enables the Company to ship up to 300,000 tonnes per annum of ore through the port.

Intellectual property

The Company continues to undertake the development of technology to extract value from downstream manganese processing. In particular, laboratory and field test work continues on the proposed manganese sulphate monohydrate plant in the Pilbara.

Review of operations

Net loss after tax for the half year ended 31 December 2013 was \$729,821 (half year ended 31 December 2012 net loss after tax: \$694,919).

The Company's financial performance for the half year is reflective of the ongoing evaluation and technical assessment of the Company's Ant Hill mine and development of the intellectual property.

Mesa Minerals Limited
Directors' report
31 December 2013

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



Bruce Goulds
Director

24 February 2014
Perth

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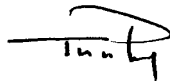
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mesa Minerals Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 February 2014

Mesa Minerals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2013

	Consolidated Entity	
	31 Dec 2013	31 Dec 2012
	\$	\$
Revenue	493,070	500,118
Expenses		
Exploration and tenement costs	(12,000)	(166,936)
Research and development	(1,084)	(102,569)
Administration	(439,550)	(235,922)
Secretarial and listing costs	(45,909)	(29,464)
Employee costs	(350,106)	(302,635)
Depreciation	(145,291)	(181,641)
Marketing	(86,788)	(88,763)
Trade marks and patents	(19,546)	(8,005)
Finance costs	(122,617)	(79,102)
	<hr/>	<hr/>
Loss before income tax expense	(729,821)	(694,919)
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense for the half-year	(729,821)	(694,919)
Other comprehensive income for the half-year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the half-year	<u>(729,821)</u>	<u>(694,919)</u>
	<hr/>	<hr/>
	Cents	Cents
Basic earnings per share (cents per share)	(0.11)	(0.11)
Diluted earnings per share (cents per share)	(0.11)	(0.11)

The accompanying notes form part of these financial statements

Mesa Minerals Limited
Statement of financial position
As at 31 December 2013

	Note	Consolidated Entity	
		31 Dec 2013	30 June 2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		13,519	10,609
Trade and other receivables		6,517	2,710
Total current assets		<u>20,036</u>	<u>13,319</u>
Non-current assets			
Receivables		54,500	54,500
Property, plant and equipment		1,300,273	1,444,848
Intangibles		1,371,353	1,338,377
Exploration and evaluation assets		496,300	-
Total non-current assets		<u>3,222,426</u>	<u>2,837,725</u>
Total assets		<u>3,242,462</u>	<u>2,851,044</u>
Liabilities			
Current liabilities			
Trade and other payables		4,705,913	4,957,732
Provisions		187,905	112,253
Total current liabilities		<u>4,893,818</u>	<u>5,069,985</u>
Total liabilities		<u>4,893,818</u>	<u>5,069,985</u>
Net liabilities		<u>(1,651,356)</u>	<u>(2,218,941)</u>
Equity			
Issued capital	4	36,454,984	35,157,578
Reserves		280,750	280,750
Accumulated losses		<u>(38,387,090)</u>	<u>(37,657,269)</u>
Total deficiency in equity		<u>(1,651,356)</u>	<u>(2,218,941)</u>

The accompanying notes form part of these financial statements

Mesa Minerals Limited
Statement of changes in equity
For the half-year ended 31 December 2013

	Issued capital \$	Retained Reserves \$	Retained profits \$	Total deficiency \$
Consolidated Entity				
Balance at 1 July 2012	35,286,766	280,750	(35,203,005)	364,511
Loss after income tax expense for the half-year	-	-	(694,919)	(694,919)
Other comprehensive income for the half-year, net of tax	-	-	-	-
	<hr/>			
Total comprehensive income for the half-year	-	-	(694,919)	(694,919)
	<hr/>			
Balance at 31 December 2012	<u>35,286,766</u>	<u>280,750</u>	<u>(35,897,924)</u>	<u>(330,408)</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency \$
Consolidated Entity				
Balance at 1 July 2013	35,157,578	280,750	(37,657,269)	(2,218,941)
Loss after income tax expense for the half-year	-	-	(729,821)	(729,821)
Other comprehensive income for the half-year, net of tax	-	-	-	-
	<hr/>			
Total comprehensive income for the half-year	-	-	(729,821)	(729,821)
	<hr/>			
<i>Transactions with owners in their capacity as owners:</i>				
Placement of shares	1,297,406	-	-	1,297,406
	<hr/>			
Balance at 31 December 2013	<u>36,454,984</u>	<u>280,750</u>	<u>(38,387,090)</u>	<u>(1,651,356)</u>

The accompanying notes form part of these financial statements

Mesa Minerals Limited
Statement of cash flows
For the half-year ended 31 December 2013

	Consolidated Entity	
	2013	2012
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	489,264	382,917
Payments to suppliers and employees (inclusive of GST)	<u>(2,169,711)</u>	<u>(709,831)</u>
	(1,680,447)	(326,914)
Interest received	<u>309</u>	<u>130</u>
Net cash used in operating activities	<u>(1,680,138)</u>	<u>(326,784)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(715)	-
Payments for exploration and evaluation	<u>(496,300)</u>	<u>-</u>
Net cash used in investing activities	<u>(497,015)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares (net of share issue costs)	1,297,406	-
Loan from parent entity	<u>882,657</u>	<u>224,938</u>
Net cash from financing activities	<u>2,180,063</u>	<u>224,938</u>
Net increase/(decrease) in cash and cash equivalents	2,910	(101,846)
Cash and cash equivalents at the beginning of the financial half-year	<u>10,609</u>	<u>124,461</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>13,519</u></u>	<u><u>22,615</u></u>

The accompanying notes form part of these financial statements

Mesa Minerals Limited
Notes to the financial statements
31 December 2013

Note 1. General information

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

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

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

1 Sleat Road
Applecross WA 6153

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 24 February 2014. The directors do not have the power to amend and reissue the financial report.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as disclosed below.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Mesa Minerals Limited
Notes to the financial statements
31 December 2013

Note 2. Significant accounting policies (continued)

Going concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss for the half-year ended 31 December 2013 of \$729,821 and had net cash flows used in operating activities of \$1,680,138. As at 31 December 2013, the consolidated entity had net current liabilities of \$4,873,782 and net liabilities of \$1,651,356.

In considering whether the going concern basis is appropriate for preparing this financial report, the Directors recognise that current levels of working capital may be insufficient to meet its planned and proposed levels of expenditure for the forthcoming year. However, the Directors of the consolidated entity reasonably expect that the necessary funds will be available to the consolidated entity as required and have concluded that the going concern basis is the appropriate basis for preparing the financial statements based on the following key considerations:

- The Directors believe they will be able to access capital markets for further funds if necessary;
- The Directors expect that major shareholders of the consolidated entity will support fund raising activities; and
- As at 31 December 2013, its parent entity, Mineral Resources Limited has provided \$2,649,330 in loan funding, which is disclosed as a current liability in the statement of financial position, to the consolidated entity. Accordingly, the Directors of the consolidated entity reasonably believe it will continue to receive financial support from Mineral Resources Limited, for a period of twelve months from the date of this financial report.

Note 3. Segment reporting

The consolidated entity has identified its operating segments based on the internal management reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The consolidated entity operates in one business segment and one geographical segment, namely the exploration, mining, processing and export of manganese ore located in Western Australia.

Note 4. Equity - issued capital

	Consolidated Entity		Consolidated Entity	
	31 Dec 2013	30 June 2013	31 Dec 2013	30 June 2013
	Shares	Shares	\$	\$
Ordinary shares	704,416,960	612,536,487	36,454,984	35,157,578

Movements in share capital

Details	Date	No of shares	\$
Balance	1 July 2013	612,536,487	35,157,578
Placement of shares		91,880,473	1,378,207
Capital raising costs		-	(80,801)
Balance	31 December 2013	704,416,960	36,454,984

Mesa Minerals Limited
Notes to the financial statements
31 December 2013

Note 5. Equity – dividends

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

Note 6. Contingent liabilities

There were no contingencies at reporting date.

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2013 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.

Mesa Minerals Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Bruce Goulds
Director

24 February 2014
Perth

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MESA MINERALS LIMITED**

We have reviewed the accompanying half-year financial report of Mesa Minerals Limited which comprises the statement of financial position as at 31 December 2013, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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 2013 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 Mesa Minerals 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 Mesa Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

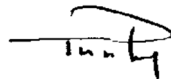
Conclusion

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 Mesa Minerals 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 2013 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*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 February 2014