



TRAFFORD
RESOURCES LTD

ABN 93 112 257 299

and

Controlled Entities

Interim Financial Report
For the half-year ended
31 December 2014

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Trafford Resources Limited during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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CORPORATE DIRECTORY

MANAGING DIRECTOR

Ian D. Finch

EXPLORATION DIRECTOR

Mark Le Grange

NON-EXECUTIVE DIRECTOR

Neil W. McKay

Dr. Allan Trench

COMPANY SECRETARY

Pragiyugi Gouw

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STOCK EXCHANGE LISTING

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: TRF

BANKERS

Westpac Banking Corporation

109 St Georges Terrace

PERTH WA 6000

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity (referred to hereafter as the Group) consisting of Trafford Resources Limited (the "Company" or "Trafford") and its controlled entity for the half-year ended 31 December 2014.

DIRECTORS

The names and particulars of the directors of the company during or since the end of the half-year are:

Ian Finch	Managing Director
Mark Le Grange	Exploration Director
Neil McKay	Non-Executive Director
Dr. Allan Trench	Non-Executive Director

All directors have been in office since the start of the financial period to the date of this report unless stated otherwise.

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the half-year:

Pragiyugi Gouw – Bachelor of Commerce

DIVIDENDS

No dividends were paid or declared during the half-year or in the period to the date of this report.

PRINCIPAL ACTIVITY

The principal activities of the Group during the course of the half-year were mineral exploration. There has been no change in these activities during this financial period.

REVIEW OF OPERATIONS

Trafford Resources Limited has been engaged primarily in exploration and evaluation activities of mineral resources during the course of the half-year.

Highlights of the reported progress include:

- A Merger Implementation Agreement ("MIA") was executed whereby the Company's associate, IronClad Mining Ltd, may acquire all of the Company's shares on issue under a Scheme of Arrangement ("Scheme").
- The Wilcherry Hill Joint Venture is continuing its discussions with Arrium Ltd ("Arrium") for use of transport and port facilities at Whyalla and the potential sale of its direct shipping iron ore to Arrium, with the intention of reaching a commercial agreement.
- The Company received \$952,300 in Research and Development ("R&D") Rebate.
- 4,343,587 shares were issued at \$0.07 per share via a share purchase plan;
- The Company's investment associate, Orinoco Gold Ltd, continues to deliver exceptional gold grades at this Cascavel project and demonstrates its potential to host a high grade, low cost gold production.

DIRECTORS' REPORT**Company Background**

The Company listed on the Australian Securities Exchange (ASX: TRF) in mid-2006 with a diverse range of active projects and an approach of adding value from exploration with the aim of becoming a self-funded exploration and mining house.

Merger with Ironclad Mining Ltd

Trafford Resources and IronClad Mining announced that a Merger Implementation Agreement ("MIA") was executed, pursuant to which IronClad intends to acquire all of the issued shares in Trafford under a Scheme of Arrangement. Under this Scheme IronClad will offer one IronClad share for every Trafford share which will result in IronClad issuing an additional 128,653,065 shares, after taking into account Trafford's performance rights.

The merger will consolidate ownership of the Wilcherry Hill Project which will have major cost savings from the pooling of administrative and technical expertise of both companies. The merger has been unanimously recommended by the independent Trafford Directors, Dr Allan Trench and Mr Mark Le Grange who have also agreed to vote in favour of the merger in respect of all shares they control - in the absence of a superior proposal, and subject to an independent expert concluding that the Scheme is in the best interests of the Trafford shareholders.

Mr Ian Finch and Mr Neil McKay did not participate in the Trafford Board deliberations since they are also directors of IronClad.

Project Overview**Exploration – South Australia****Wilcherry Hill – An Emerging Polymetallic Mineral Province**

The Wilcherry Hill Project in the Northern Eyre Peninsula of South Australia, was initially comprised of four Exploration Licences, covering 976 km² and Trafford has since increased its footprint in the area to a total of 2,692km² through the addition of the following tenements; Mount Double (EL4443), Mount Miccollo (EL4748), Pinkawillinie (EL4870), Reid Lookout (EL4945) and Siam (EL4946). This has allowed Trafford to be well positioned to capture the future economic potential of the region.

Weednanna Tin Prospect – Shallow Tin Discovered

During the half-year, Trafford Resources announced the results of a re-assay program at the Weednanna Prospect. The program included 443 samples collected from the Weednanna drilling database. Some Tin had previously been recorded in these samples; however the methodology used was known to have been sub-optimal. The appropriate analytical method (Lithium Borate Fusion + ICP-MS finish) for testing for Cassiterite (Tin Oxide mineral) was used for all re-assays. Results showed a 5% increase in overall Tin values over the original results (Table 1) which indicate a good reliability for the historic Tin results over this prospect.

Tin mineralisation at Weednanna occurs in drill holes previously drilled by IronClad Mining (ASX: IFE) targeting magnetite. Additional analysis of base metals and Tin were only occasionally assayed for during these campaigns. Out of the 421 holes drilled at Weednanna only 60 were assayed for Tin using XRF. Twenty five of the 60 drill holes reported mineralisation greater than 0.1% Tin. There are 213 drill holes which still need to be assayed for Tin at Weednanna.

The reported Tin intersections from Weednanna in Table 1 are from reverse circulation (RC) and diamond drill holes. Numerous wide intersections ranging from 10 to 26m at an average grade of 0.2% to 0.3% Tin are encountered in the upper felsic regolith and oxidised iron skarn. It is important to note that most of Tin at Weednanna is very shallow, often intersected less than 50m from surface (Figure 1).

While tin has been recorded in some historic drill holes in the Wilcherry Hill Project area, dating back to the early 1980's, most of the exploration work since then either did not test for Tin or used an assay method inappropriate for the detection of coarse grained Cassiterite.

DIRECTORS' REPORT**Project Overview**

Prospect	Hole ID	Northing	Easting	Total Depth (m)	Azimuth	Dip	Depth From (m)	Depth To (m)	Intercept Width	Sn (%)
Weednanna	09WDRC027	6373093	638462	60	270	-55	20	50	30	0.15
Weednanna	09WDRC028	6373095	638488	84	270	-55	42	70	28	0.18
Weednanna	incl						66	70	4	0.44
Weednanna	10WDDH016	6372998	638474	63.9	270	-60	13	16	3	0.62
Weednanna	and						47	50	3	0.14
Weednanna	10WDDH017	6373022	638475	60.6	270	-60	46	48	2	0.30
Weednanna	and						56	58	2	1.06
Weednanna	10WDDH018	6373121	638497	87.5	272.67	-61	36.9	44	7.1	0.39
Weednanna	incl						39	42.1	3.1	0.55
Weednanna	and						64	69	5	0.24
Weednanna	and						71	81	10	0.26
Weednanna	incl						71	74	3	0.40
Weednanna	10WDDH020	6373296	638446	81.7	270	-60	10	12	2	0.63
Weednanna	and						16	26.2	10.2	0.25
Weednanna	incl						19	22	3	0.40
Weednanna	and						46	50	4	0.19
Weednanna	10WDDH021	6372772	638638	180.5	269.32	-60	75.4	78.4	3	0.40
Weednanna	10WDRC006	6372269	638700	90	265.7	-61	0	22	22	0.16
Weednanna	10WDRC008	6372397	638672	78	262.1	-61	14	22	8	0.15
Weednanna	and						40	48	8	0.15
Weednanna	10WDRC015	6372448	638657	42	268.3	-61	8	34	26	0.18
Weednanna	10WDRC025	6373023	638533	106	266.8	-61	92	98	6	0.20
Weednanna	10WDRC028	6373069	638522	112	0	-90	50	94	44	0.19
Weednanna	incl						90	94	4	0.77
Weednanna	10WDRC029	6373066	638458	52	268.5	-61	2	22	20	0.28
Weednanna	incl						14	20	6	0.51
Weednanna	and						34	38	4	0.24
Weednanna	10WDRC030	6373095	638522	118	271.9	-61	54	84	30	0.22
Weednanna	and						96	104	8	0.30
Weednanna	10WDRC035	6372747	638678	228	268.2	-61	110	122	12	0.14
Weednanna	10WDRC037	6372771	638599	72	267.9	-61	8	12	4	0.35
Weednanna	10WDRC040	6372797	638650	204	268.5	-60	100	106	6	0.30
Weednanna	10WDRC041	6373095	638439	40	272.2	-61	8	20	12	0.17
Weednanna	10WDRC042	6373115	638449	46	266.9	-61	24	34	10	0.32
Weednanna	10WDRC043	6373146	638477	80	267.6	-60	26	32	6	0.59
Weednanna	and						42	46	4	0.54
Weednanna	and						52	56	4	0.18
Weednanna	10WDRC051	6372821	638649	204	270	-60	96	104	8	0.28
Weednanna	10WDRC055	6372922	638618	180	270	-60	102	108	6	0.37
Weednanna	10WDRC060	6372944	638475	72	270	-60	54	62	8	0.32
Weednanna	10WDRC061	6373296	638423	58	270	-60	16	38	22	0.14
Weednanna	10WDRC063	6373322	638479	96	270	-60	46	54	8	0.29
Weednanna	10WDRC065	6373343	638478	112	270	-60	50	54	4	0.43
Weednanna	10WDRC065	6373343	638478	112	270	-60	102	108	6	0.29
Weednanna	10WDRC074	6372899	638624	168	270	-60	104	112	8	0.37
Weednanna	incl						104	106	2	1.07

Table 1: Significant Results for Weednanna

DIRECTORS' REPORT

Project Overview

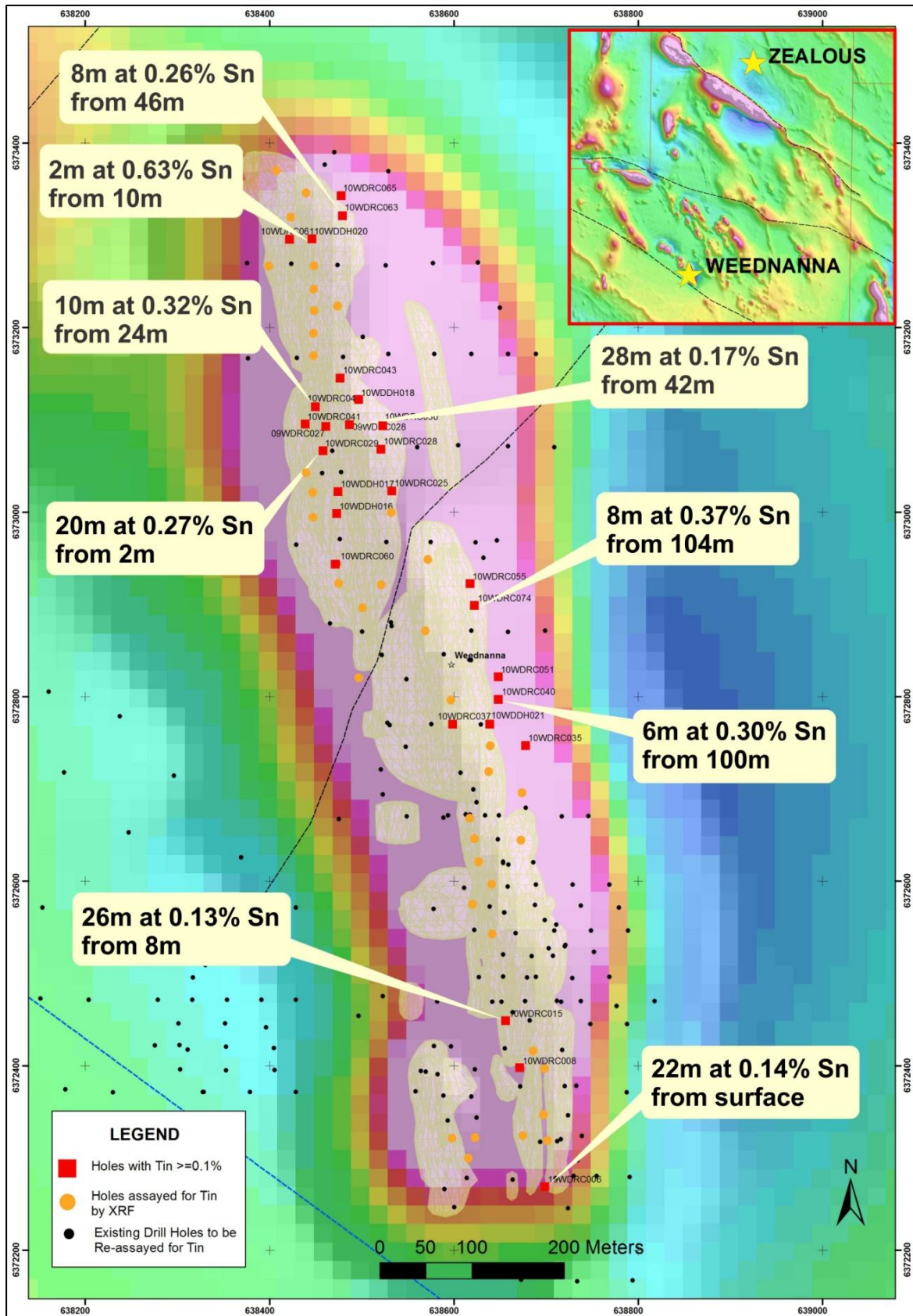


Figure 1: Significant Tin intercepts at Weednanna, super-imposed over existing iron ore wireframes (beige) on a total magnetic imagery background

DIRECTORS' REPORT

Project Overview

Investments

Orinoco Gold – Low Cost Development to commence at Cascavel

Orinoco Gold Limited (ASX:OGX) reported results of its exploration decline at the Cascavel Project in central Brazil with gold assays up to 27 ounces / tonne.

The results, when combined with previous drilling, underground bulk and channel sampling, provide further strong evidence of the potential for significant structurally controlled shear zone hosted gold mineralisation from very shallow depths at Cascavel. This highlights the opportunity to develop a high-grade low-cost gold project. The mineralisation appears to increase in thickness and grade to the south of the Cascavel winze.

The exploration decline demonstrates the shallow nature of the high-grade mineralisation at Cascavel, while previously announced drilling which returned visible gold from significant down-dip extensions (including CdP_002: 0.5m @ 2.54g/t gold from 326m down hole or approximately 700m down dip) shows the continuity of the gold mineralisation at depth.

In October 2014, the current high grade zone was expanded to 15m at an average grade of 88g/t gold with individual panel samples assaying up to 239g/t gold (approximately 7.7 ounces / tonne gold). This high grade zone is one of several being tested by the exploration decline and one of many interpreted to be in the Cascavel area. This area continues to demonstrate its potential to host a high grade, low cost gold operation. These results add to previously reported bonanza gold results of up to 842g/t gold from the Cascavel decline.

While exportation continues to identify areas for future expansion, Orinoco plans for development of the Cascavel Gold Project in central Brazil. The new development strategy is based on independently establishing an initial ~40,000tpa gravity circuit, currently planned to be located on the Company's existing Mining Lease. The mine plan will focus on small portion of Cascavel and Mestre areas (250mx200m). Metallurgical test work indicates that gold recoveries of 80-94% can be expected from a simple gravity circuit. The company's current extraction permit allows underground mining and an application has been made for a mining lease that will facilitate future open pit mining.

Trafford holds approximately 8.9% direct equity interest in Orinoco.



Figure 2: Area of initial mining at Cascavel. Plan view

DIRECTORS' REPORT**Project Overview****OPERATING RESULTS AND FINANCIAL REVIEW***Profit and loss*

The Group's loss for the six month period after providing for income tax amounted to \$1,323,070 (2013: profit of \$1,327,584).

Financial position

The directors believe the Group is in a stable financial position to expand and grow its current operations. The Group's net assets as at 31 December 2014 are \$3,240,892 (30 June 2014: \$4,740,852).

Liquidity and capital resources

The Company's principal source of liquidity as at 31 December 2014 is cash of \$198,002 (30 June 2014: \$171,680); \$183,275 of which (30 June 2014: \$169,223) has been placed as short term deposits.

The Company's main source of cash during the period was from the rebate in relation to research and development activities incurred in the financial year ended 30 June 2014.

CORPORATE*Option Expiry*

On 13 October 2014, 2,919,633 options with an exercise price of \$0.30 lapsed. On 22 December 2014, another 500,000 options with an exercise price of \$0.25 were cancelled.

Share Issue

During the period, Trafford issued 4,343,587 fully paid ordinary shares at \$0.07 through a share purchase plan.

Option Issue

8,687,174 free attaching options exercisable at \$0.10 on or before 16 February 2015 were issued as part of the share purchase plan and in accordance with an option prospectus dated 28 May 2014.

Share Rights Cancellation

724,500 share rights with expiry on 31 October 2015 were cancelled during the period.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there are no significant changes in the state of affairs of the Group that occurred during the half-year period under review not already disclosed in this report, the financial statements or notes attached thereto.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There has been no significant event after balance date.

COMPETENT PERSONS STATEMENT

The information in the Directors Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based, and fairly represents, information and supporting documentation compiled by Ian D. Finch, who is the Managing Director of Trafford Resources Limited and a Member of the Australian Institute of Mining and Metallurgy and who has more than five years experience in the field of activity being reported on.

Mr. Finch 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. Finch consents to the inclusion in the Directors Report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporation Act 2001 is included on page 22 of the Financial Report for the half-year ended 31 December 2014.

Signed in accordance with a resolution of the Board of Directors.



Ian D. Finch
Managing Director
Perth, 20th day of February 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
	\$	\$
Revenue	12,972	255,842
Gain on sale of non-current investments	-	-
(Impairment) / Impairment reversal on investment in associate	(1,016,734)	3,890,548
Administrative expenses	(46,530)	(70,414)
Consultancy expenses	(55,443)	(92,997)
Compliance and regulatory expenses	(49,260)	(51,038)
Directors fees	(26,160)	(50,160)
Depreciation and amortisation expense	(22,226)	(32,144)
Finance costs	(59,341)	(5,414)
Legal fees	(7,483)	(27,969)
Occupancy costs	(125,161)	(108,624)
Share-based payments	(23,544)	(29,148)
Public relation costs	(15,775)	(58,482)
Staffing costs	(162,968)	(183,197)
Share of net loss of associate	(76,733)	(466,372)
Training costs	(2,853)	(2,448)
Exploration costs written off	(588,545)	(1,613,915)
Other expenses from ordinary activities	(9,586)	(26,484)
Profit / (loss) before income tax expense	(2,275,370)	1,327,584
Income tax benefit	952,300	-
Profit / (loss) for the period	(1,323,070)	1,327,584
Other comprehensive income / (loss)		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net gain / (loss) on revaluation of financial assets	(482,152)	7,500
Total comprehensive income / (loss) for the period	(1,805,222)	1,335,084
Basic earnings/ (loss) per share (cents)	(1.06)	1.15
Diluted earnings/ (loss) per share (cents)	(1.06)	1.15

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

		31 December 2014 \$	30 June 2014 \$
	Notes		
CURRENT ASSETS			
Cash and cash equivalents	3	198,002	171,680
Trade and other receivables		69,473	89,646
Financial Assets	4	729,410	1,211,562
TOTAL CURRENT ASSETS		996,885	1,472,888
NON CURRENT ASSETS			
Plant and equipment		38,069	56,775
Investments accounted for using the equity method	5	863,263	1,956,730
Exploration and evaluation costs		1,980,744	1,980,744
TOTAL NON CURRENT ASSETS		2,882,076	3,994,249
TOTAL ASSETS		3,878,961	5,467,137
CURRENT LIABILITIES			
Trade and other payables		407,007	492,108
Borrowings	6	-	-
Provisions		181,462	199,824
TOTAL CURRENT LIABILITIES		588,469	691,932
NON-CURRENT LIABILITIES			
Provisions		49,600	34,353
TOTAL NON-CURRENT LIABILITIES		49,600	34,353
TOTAL LIABILITIES		638,069	726,285
NET ASSETS		3,240,892	4,740,852
EQUITY			
Issued capital	7	22,671,990	22,390,272
Reserves		(690,344)	1,614,210
Retained profits		(18,740,754)	(19,263,630)
TOTAL ENTITY INTEREST		3,240,892	4,740,852

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital	Option Reserve	Financial Asset Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	22,390,272	1,897,582	(283,372)	(19,263,630)	4,740,852
Profit attributable to owners of the parent	-	-	-	(1,323,070)	(1,323,070)
Other comprehensive income for the period	-	-	(482,152)	-	(482,152)
Total comprehensive income for the period	-	-	(482,152)	(1,323,070)	(1,805,222)
<i>Transactions with owner's in their capacity as owners, and other transfers</i>					
Share-based payments	-	23,544	-	-	23,544
Shares issued during the half-year	304,050	-	-	-	304,050
Expiry of share-based payments	-	(1,845,946)	-	1,845,946	-
Transaction costs	(22,332)	-	-	-	(22,332)
Balance at 31 December 2014	22,671,990	75,180	(765,524)	(18,740,754)	3,240,892
Balance at 1 July 2013	21,601,114	1,845,946	132,340	(16,823,247)	6,756,153
Profit attributable to owners of the parent	-	-	-	1,327,584	1,327,584
Other comprehensive income for the period	-	-	7,500	-	7,500
Total comprehensive income for the period	-	-	7,500	1,327,584	1,335,084
<i>Transactions with owner's in their capacity as owners, and other transfers</i>					
Share-based payments	-	29,148	-	-	29,148
Shares issued during the half-year	700,905	-	-	-	700,905
Transaction costs	(26,435)	-	-	-	(26,435)
Balance at 31 December 2013	22,275,584	1,875,094	139,840	(15,495,663)	8,794,855

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	31 December 2014	31 December 2013
Notes	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(417,991)	(649,412)
Interest received and other income	2,972	5,842
Interest and other charges	(55,883)	(2,865)
Research and Development Rebate	952,300	-
Payments for exploration activity	(589,085)	(1,787,564)
Net cash used in operating activities	<u>(107,687)</u>	<u>(2,433,999)</u>
Cash Flows From Investing Activities		
Payments for plant and equipment	(8,861)	(13,307)
Proceeds from disposal of investments	-	-
Proceeds from disposal of exploration rights	-	250,000
Purchase of equity Investments	-	(30,962)
Net cash used in investing activities	<u>(8,861)</u>	<u>205,731</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	147,050	700,906
Payment for costs of issue of shares and options	(22,333)	(34,878)
Proceeds from borrowings	450,000	-
Repayment of borrowings	(450,000)	-
(Loan to) / repayment from other entities	18,153	45,074
Net cash provided by financing activities	<u>142,870</u>	<u>711,102</u>
Net (decrease)/increase in cash held	26,322	(1,517,166)
Opening cash and cash equivalents	<u>171,680</u>	<u>1,742,429</u>
Closing cash and cash equivalents	<u>198,002</u>	<u>225,263</u>

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The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

New accounting standards and interpretation

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
 - Part C: 'Materiality'
- Interpretation 21 'Levies'

The adoption of the above standards has not had a material impact on this half year financial report.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$1,323,070 (2013: profit of \$1,327,584) and net cash outflows from operating activities of \$107,687 (2013: \$2,433,999). As at 31 December 2014, the Consolidated Group had a working capital of \$408,416 (30 June 2014: \$780,956) and the net increase in cash held during the period was \$26,322 (31 December 2013: decrease of \$1,517,166).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Group has expenditure commitments relating to work programme obligations of their assets of \$1,596,676 which potentially could fall due in the twelve months to 31 December 2015.

The Directors have prepared a cashflow forecast which indicates that the Group will have sufficient cashflows to meet all commitments and workings capital requirements for the period 12 months from the date of signing this report. The Group intends to finance the future operations through the following actions:

- The proposed merger between the Company and IronClad Mining Ltd will allow significant cost savings by pooling the administration and technical expertise of both companies
- Additional capital raisings;
- Divestment of the Group's financial assets as required;
- Containing cash outflows.

Should the Group not achieve the matters set out above, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTE 2: SEGMENT INFORMATION**Identification of reportable segments**

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

The Group is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating tenements where the tenements are considered to form a single project. This is indicated by:

- Having the same ownership structure.
- Exploration being focused on the same mineral or type of mineral.
- Exploration programs targeting the tenements as a group, indicated by the use of the same exploration team, and shared geological data, knowledge and confidence across the tenements.
- Shared mining economic considerations such as mineralisation, metallurgy, marketing, legal, environmental, social and government factors.

Basis of accounting for purposes of reporting by operating segments*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Unallocated items

Items of revenue, expense, assets and liabilities that are not considered part of the core operations of any segment are classified as unallocated items.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 2: SEGMENT INFORMATION (CONTINUED)

	South Australian Exploration	Western Australian Exploration	International Exploration	Total
	\$	\$	\$	\$
(i) Segment performance				
Period ended 31 Dec 2014				
Segment revenue	-	-	-	-
<i>Reconciliation of segment revenue to Group's revenue</i>				
Net interest received				2,972
Total revenue				2,972
 Segment result	 (357,736)	 (109,868)	 (120,941)	 (588,545)
<i>Reconciliation of segment result to net profits before tax</i>				
<i>Unallocated items:</i>				
Net corporate charges				(547,588)
Depreciation				(22,226)
Share-based payments				(23,544)
Investment impairment				(1,016,734)
Share of net loss of associate				(76,733)
Net profit before income tax				(2,275,370)
Income tax benefit				952,300
Profit for the year				(1,323,070)
 Period ended 31 Dec 2013				
Segment revenue	250,000	-	-	250,000
<i>Reconciliation of segment revenue to Company's revenue</i>				
Net interest received				5,842
Total revenue				255,842

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 2: SEGMENT INFORMATION (CONT'D)

	South Australian Exploration \$	Western Australian Exploration \$	International Exploration \$	Total \$
Segment result	(676,546)	(446,327)	(241,042)	(1,363,915)
<i>Reconciliation of segment result to net profits before tax</i>				
<i>Unallocated items:</i>				
Net corporate charges				(671,385)
Depreciation				(32,144)
Share-based payments				(29,148)
Investment impairment reversal				3,890,548
Share of net loss in associate				(466,372)
Net profit before income tax				1,327,584
Income tax benefit				-
Profit for the year				1,327,584
 (ii) Segment assets				
Period ended 31 Dec 2014				
Segment assets	1,980,744	-	-	1,980,744
<i>Reconciliation of segment result to Group's assets</i>				
<i>Unallocated items:</i>				
Cash and cash equivalents				198,002
Trade and other receivables				69,473
Plant and equipment				38,069
Financial assets				1,592,673
Total assets				3,878,961

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 2: SEGMENT INFORMATION (CONT'D)

	South Australian Exploration	Western Australian Exploration	International Exploration	Total
	\$	\$	\$	\$
Additions to segment assets for the period:				
Exploration and evaluation	-	-	-	-
Other – rental bond	(2,550)			(2,550)
Total additions to segment assets	(2,550)	-	-	(2,550)

Period ended 30 Jun 2014

Segment assets	1,983,294	-	-	1,983,294
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Reconciliation of segment result to assets

Unallocated items:

Cash and cash equivalents				171,680
Trade and other receivables				87,096
Plant and equipment				56,775
Financial assets				3,168,292
Total assets				5,467,137

Additions to segment assets for the period:

Exploration and evaluation	-	-	-	-
Total additions to segment assets	-	-	-	-

	31 Dec 2014	30 Jun 2014
	\$	\$

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	14,727	2,457
Short-term bank deposits	183,275	169,223
	198,002	171,680

Cash at bank and short term bank deposits earn interest at floating rate based on daily bank deposit rates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 Dec 2014	30 Jun 2014
		\$	\$

NOTE 4: FINANCIAL ASSETS**CURRENT***Available for sale:*

Shares in listed corporations - fair value	(i)	729,410	1,211,562
		729,410	1,211,562

- (i) The Company holds 12,362,876 shares (30 June 2014: 12,362,876 shares) in Orinoco Gold Ltd as an investment. As at 31 December 2014, the share price was \$0.059.

NOTE 5: INVESTMENTS ACCOUNTING FOR USING THE EQUITY METHOD

Opening balance	1,956,730	2,233,158
Shares acquired/ (disposed)	-	(103)
Share of associated company's gain/(loss) after income tax	(76,733)	(6,551,291)
Impairment reversal / (loss)	(1,016,734)	6,274,966
	863,263	1,956,730

- (i) The Company holds 28,775,445 shares (30 June 2014: 28,775,445 shares) in Ironclad Mining Limited. As at 31 December 2014, the share price was \$0.03.

NOTE 6: BORROWINGS

	Effective Interest Rate	Maturity	31 Dec 2014	30 Jun 2014
			\$	\$
\$500,000 loan facility	16%	10 December 2014	-	-
			-	-

The loan was secured against the Research and Development Rebate for the year ended 30 June 2014 and has been fully repaid as at 31 December 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 7: ISSUED CAPITAL

	Quantity	Total \$
FULLY PAID ORDINARY SHARES		
Movement in fully paid ordinary shares on issue:		
Balance at 1 July 2014	120,522,975	22,390,272
Shares issued via Share Purchase Plan at \$0.07	4,343,587	304,050
Transaction cost relating to share issues	-	(22,332)
Balance at 31 December 2014	124,866,562	22,671,990

OPTIONS AND SHARE RIGHTS

	Quantity	Total \$
Balance at 1 July 2014	33,631,596	1,897,582
Free attaching options issued during the period	8,687,174	-
Amortisation of share rights over vesting period	-	23,544
Share rights cancelled during the period	(724,500)	-
Free attaching options lapsed during the period	(2,844,633)	-
Non-free attaching options lapsed during the period	(75,000)	(3,812)
Cancellation of Options	(500,000)	-
Reallocation of share-based payments expired in prior years	-	(1,842,134)
Balance at 31 December 2014	38,174,637	75,180

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since last annual reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no significant event after reporting date.

NOTE 10: DIVIDEND

No Dividend has been paid during or recommended for the half-year ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 11: COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	31 Dec 2014	30 Jun 2014
	\$	\$
Tenement Commitments		
Not longer than one year	1,596,676	1,691,917
Longer than one year, but not longer than five years	1,133,250	644,416
Longer than five years	-	-
	2,729,926	2,336,333
Other Commitments		
Not longer than one year	196,998	221,553
Longer than one year but not longer than five years	771,815	851,301
Longer than five years	-	-
	968,813	1,072,854

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 12: FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash and cash equivalents, trade and other receivable and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

Available for sale financial assets

The Group's available for sale financial assets are level-1 financial instruments and valued using the quoted bid prices from the Australian Securities Exchange as at the reporting date.

NOTE 13: RELATED PARTY INFORMATION

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with related entities:

Technical and Administration Services

IronClad Mining Limited entered into an agreement with the Company whereby the Company was engaged to provide technical and administration services. Invoices for these services are issued on a monthly basis and are payable within 30 days from invoice date.

Scheme of Arrangement

The Company has executed a Merger Implementation Agreement with the IronClad Mining Ltd. Under the Agreement, IronClad Mining Ltd intends to acquire all of the issued shares in the Company under a Scheme of Arrangement, whereby the Ironclad will offer one IronClad share for every Trafford share.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 20:
 - (a) Comply with Accounting Standards AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - (b) Give a true and fair view of the Company's financial position as at 31 December 2014 and 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.

On behalf of the Directors



Ian D. Finch
Managing Director
Perth, 20th February 2015



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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Trafford Resources Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 20th day of February 2015



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- Accountants
- Auditors
- Advisors



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Independent Auditor's Review Report

To the Members of Trafford Resources Limited

We have reviewed the accompanying half-year financial report of Trafford Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled 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 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 2014 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 Consolidated Entity, 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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- Accountants
- Auditors
- Advisors

Independent Auditor's Review Report

To the Members of Trafford Resources Limited (Continued)



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 Trafford Resources Limited and Controlled Entities 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

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the Consolidated Entity incurred a loss of \$1,323,070 during the half-year ended 31 December 2014. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 20th day of February 2015