



Goldminex Resources Limited and Controlled Entities
Interim Report
For the Half-Year ended 31 December 2013

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Goldminex Resources Limited (GMX or the Company) is a public company limited by shares which are listed on the Australian Securities Exchange (ASX), registered (ABN 62 119 383 578) and domiciled in Australia.

Its registered office and principal place of business is:

Suite 401
25 Lime Street
Sydney NSW 2000

Directors' Report

31 DECEMBER 2013

The directors of Goldminex Resources Limited submit herewith the interim financial report of the Company for the financial half-year ended 31 December 2013. The directors report as follows:

1. Directors

The following persons were directors of the Company during the whole of the half-year year and up to and including the date of this report, unless otherwise indicated:

Niall Cairns (Chairman)
Phillip Carter
Adrian Fleming
Simon O'Loughlin
David Sode

2. Principal activities

The company's principal activities during the period continued to be the exploration of minerals.

3. Review of operations

Total income from operating activities for the half-year was \$45,421 (2012: \$134,987). Income included management fees of \$38,802 (2012: \$95,225).

Operating expenses for the half-year totalled \$1,410,541 (2012: \$918,465). Expenses included corporate expenses, \$284,436 (2012: \$209,381), administration expenses, \$62,612 (2012: \$103,626), employee expenses, \$303,709 (2012: \$445,264), and exploration expenditure written off, \$709,440 (2012: \$34,420).

Operating loss after income tax for the half-year was \$1,365,120 (2012: operating loss \$783,478).

In July 2011, GMX entered into a four year Farm-In arrangement with a subsidiary of the Brazilian-based global mining group, Vale S.A ("Vale"). The arrangement provided that Vale might earn a 51% interest in certain of GMX's Exploration Licences within the Owen Stanley region, through funding eligible exploration expenditure of US\$20 million over the period of the agreement. Vale withdrew its participation from the Farm-in arrangement as of 30 September 2013 and has no further claim over any GMX tenement. During the period of the agreement aggregate Farm-In contributions received by GMX totalled US \$16.7 million, with US \$1.6 million received in the half year to 31 December 2013. During the period of the agreement GMX was able to significantly advance its understanding of its tenements, which it would not otherwise have been able to achieve, in the absence of the Vale Farm-in. The Board of GMX, while being disappointed in Vale's decision to withdraw, nonetheless retains a high regard for Vale and its personnel who were involved with GMX over the period.

During the current half-year, the focus of effort was directed at the company's Liamu project, where a limited and strategic drilling campaign was undertaken to test anomalies previously identified through extensive on-ground geophysical analysis. While the drilling program did not yield significantly positive results, it did nonetheless assist in redefining the Company's focus for future undertakings.

This report of the directors should be read in conjunction with the more detailed and technical reports on exploration activities for the quarters ended 30 September 2013 and 31 December 2013, lodged with the Australian Securities Exchange.

4. Dividends

No dividends were paid or declared during the half-year and directors do not recommend payment of a dividend in respect of the half-year.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half-year ended 31 December 2013 other than as mentioned in this report.

6. Events subsequent to balance date

Other than as noted elsewhere in this report, there has not arisen in the interval between the end of the half-year and the date of this report, any item, transaction or event of a material nature likely, in the opinion of the directors of the Company to affect the operations of the consolidated Group, the results of these operations or the state of affairs of the consolidated Group in subsequent periods.

Directors' Report

31 DECEMBER 2013

7. Likely developments and prospects

The Company intends to continue its presence in PNG and is actively engaged in seeking opportunities for further development, including joint venture arrangements.

8. Auditors independence declaration

The auditors independence declaration as required under s.307C of the Corporations Act 2001 in relation to the review of the half year is set out on page 3, and forms part of this report .

This report has been made in accordance with a resolution of directors.

On behalf of the directors.



Niall Cairns

Chairman

Sydney

17 February 2013

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**Auditor's Independence Declaration
To the Directors of Goldminex Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Goldminex Resources Limited for the half-year ended 31 December 2013, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C F Farley
Partner - Audit & Assurance

Sydney, 17 February 2014

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Statement of profit or loss and other comprehensive income

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Income from continuing operations		
Interest revenue	1,854	39,762
Management fee	38,802	95,225
Foreign exchange gain	4,765	-
	45,421	134,987
Less operating expenses		
Corporate	284,436	209,381
Administration	62,612	103,626
Occupancy	45,471	34,891
Employees	303,709	445,264
Finance costs	34	277
Depreciation	4,839	5,517
Exploration expenditure written off	709,440	34,420
Foreign exchange loss	-	85,089
Total expenses	1,410,541	918,465
Net loss from ordinary activities before income tax	(1,365,120)	(783,478)
Income tax expense	-	-
Net loss for the half year attributable to members of the parent entity	(1,365,120)	(783,478)
Other comprehensive income (expense)	-	-
Increase (decrease) in foreign currency translation reserve	(1,800,548)	(402,497)
Other comprehensive income (expense) for the half year, net of tax	(1,800,548)	(402,497)
Total comprehensive income (expense) attributable to members of the parent entity	(3,165,668)	(1,185,975)
Loss per share attributable to holders of ordinary shares		
Basic (cents per ordinary share)	1.21	0.69
Diluted (cents per ordinary share)	1.21	0.69

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

AS AT 31 DECEMBER 2013

	31 December 2013 \$	30 June 2013 \$
Current Assets		
Cash and cash equivalents	1,650,565	1,835,805
Receivables	20,090	844,205
Other assets	93,016	343,751
Total current assets	1,763,671	3,023,761
Non current Assets		
Property, plant and equipment	30,199	50,273
Exploration and evaluation expenditure	12,959,459	15,173,168
Total non current assets	12,989,658	15,223,441
Total assets	14,753,329	18,247,202
Current liabilities		
Trade and other payables	257,478	542,429
Provision for employee benefits	14,333	58,161
Total current liabilities	271,811	600,590
Non current liabilities		
Provision for employee benefits	2,010	1,436
Total non current liabilities	2,010	1,436
Total liabilities	273,821	602,026
Net assets	14,479,508	17,645,176
Shareholders' equity		
Share capital	44,298,778	44,298,778
Foreign currency reserve	1,322,291	3,122,839
Accumulated losses	(31,141,561)	(29,776,441)
Total shareholders' equity	14,479,508	17,645,176

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2012	44,298,778	(28,758,888)	3,902,802	19,442,692
Loss for the period after tax	-	(783,478)	-	(783,478)
Other comprehensive income (expense)	-	-	(402,497)	(402,497)
Balance at 31 December 2012	44,298,778	(29,542,366)	3,500,305	18,256,717
Balance at 30 June 2013	44,298,778	(29,776,441)	3,122,839	17,645,176
Loss for the period after tax	-	(1,365,120)	-	(1,365,120)
Other comprehensive income (expense)	-	-	(1,800,548)	(1,800,548)
Balance at 31 December 2013	44,298,778	(31,141,561)	1,322,291	14,479,508

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Receipts from customers	38,802	259,501
Interest received	1,854	39,762
Payments to suppliers and employees	(698,885)	(885,675)
Net cash outflow from operating activities	(658,229)	(586,412)
Cash flows from investing activities		
Payments for plant and equipment	-	(1,899)
Farm-in contributions received	1,554,029	1,702,471
Exploration expenditure	(1,159,645)	(3,608,257)
Net cash inflow (outflow) from investing activities	394,384	(1,907,685)
Net cash flow from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(263,845)	(2,494,097)
Foreign currency translation	78,605	(87,523)
Cash and cash equivalents at beginning of period	1,835,805	5,409,503
Cash and cash equivalents at end of period	1,650,565	2,827,883

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

31 DECEMBER 2013

1. Statement of compliance and basis of preparation

Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with the Corporations Act 2001, AASB 134 Interim Financial Reporting and other mandatory reporting requirements. The financial statements are presented in Australian dollars (\$ or AUD), which is the functional currency of the parent entity.

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

Accordingly, it is recommended that this report be read in conjunction with the annual financial report for the year 30 June 2013 and any public announcements made by the Company and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Reporting basis and conventions

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described below, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the

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 settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss of \$1,365,120 for the period ended 31 December 2013 (2012: \$783,478), has negative operating cash flows of \$658,229 (2012 \$586,412), has accumulated losses of \$31,141,561 (2012: \$29,542,366), and an overall decrease in the cash position from \$1,835,805 at June 2013 to \$1,650,565 at December 2013. Furthermore, during the period Vale International Holdings GmbH gave notice of withdrawal from the Owen Stanley Farm-in Agreement. Due to all the factors noted above, there is a material uncertainty regarding going concern.

The Directors have performed a review of the cash flow forecasts and have considered the cash flow needs of the Company and consolidated entity. The Directors believe it is appropriate to prepare these accounts on a going concern basis because they have a number of strategies in progress to maintain the Company in a positive cash flow position, including continued cost control management and ongoing assessment of new opportunities and potential partnerships.

As a result, the accounts have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

(a) Exploration expenditure

Exploration assets are assessed for impairment in accordance with AASB 6 - Exploration for and Evaluation of Mineral Resources when facts and circumstances suggest that the carrying amount of an exploration asset may exceed its recoverable amount. This assessment requires assumptions to be made about the status of works and prospectivity of exploration projects.

(b) Plant and equipment useful lives

The estimation of useful lives of plant and equipment has been based on historical experience and judgement with respect to technical obsolescence, physical deterioration and usage capacity of the asset in addition to any legal restrictions on usage. The condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(c) Share based payments

The group measures the cost of equity settled transacts with employees by reference to the fair value of equity instruments at grant date. The fair value is determined by an external valuer using a range of pricing models. These calculations require assumptions to be

Notes to the Financial Statements

31 DECEMBER 2013

2. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in Goldminex's last annual financial statements for the year ended 30 June 2013, except for the application of the following standards as of 1 January 2013:

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 13 Fair Value Measurement; and
- AASB 119 Employee Benefits (September 2011)

The effects of applying these standards are described below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Company's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Company's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly Controlled Entities – Non-Monetary-Contributions by Venturers. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

There is no impact on transactions and balances recognised in the financial statements because the Company has not entered into any joint arrangements.

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. AASB 134 requires particular AASB 13 disclosures in the interim financial statements. The application of AASB 13 did not have a material effect on the financial statements of the Company.

AASB 119 Employee Benefits (September 2013)

AASB 119 makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. AASB 119:

- eliminates the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income
- changes the measurement and presentation of certain components of the defined benefit cost. the net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest cost based on the net defined benefit asset or liability
- enhances disclosures, including more information about the characteristics of defined benefit plans and related risks.

The application of AASB 119 did not have a material effect on the financial statements of the Company.

3. Segment information

The Company has adopted AASB 8 Operating Segments. The new standard requires a 'management approach' under which segment information is prepared on the same basis as that used for internal reporting purposes. This has resulted in the segments being reported in a manner that is materially consistent with the internal reporting provided to the Board and Chief Executive Officer. The adoption of AASB 8 has not affected the identified operating segments for the Group compared to the recent annual financial statements

(a) Description of segments

The consolidated entity has two reportable operating segments: Australian Head Office and PNG Exploration.

Australian Head Office

The home country of the parent entity which conducts corporate and administrative activities.

PNG Exploration

The Group conducts mineral exploration and evaluation activities within Papua New Guinea.

Notes to the Financial Statements

31 DECEMBER 2013

3. Segment information (continued)

(b) Accounting policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, capitalised exploration and evaluation expenditure, plant and equipment, net of allowances and accumulated depreciation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits and accrued expenses. Segment assets and liabilities do not include deferred income taxes.

	Australian Head Office \$	PNG Exploration \$	Total \$
Half-year ending 31 December 2013			
Segment revenue			
Total segment revenue	1,854	38,802	40,656
Intersegment revenue	-	-	-
Revenue from external customers	1,854	38,802	40,656
Segment EBITDA			
Net operating loss before tax for the period	(707,834)	(657,286)	(1,365,120)
Interest expense	34	-	34
Segment EBIT	(707,800)	(657,286)	(1,365,086)
Depreciation of assets	4,839	-	4,839
EBITDA	(702,961)	(657,286)	(1,360,247)
Total segment assets			
Total assets includes:			
Additions to property, plant and equipment	-	-	-
Net exploration expenditure made during the period	-	373,365	373,365
Total segment liabilities	167,841	105,980	273,821
Half-year ending 31 December 2012			
Segment revenue			
Total segment revenue	39,762	95,225	134,987
Intersegment revenue	-	-	-
Revenue from external customers	39,762	95,225	134,987
Segment EBITDA			
Net operating loss before tax for the period	(833,015)	49,537	(783,478)
Interest expense	277	-	277
Segment EBIT	(832,738)	49,537	(783,201)
Depreciation of assets	5,517	-	5,517
Segment EBITDA	(827,221)	49,537	(777,684)
Total segment assets			
Total assets includes:			
Additions to property, plant and equipment	10,069	16,008	26,077
Net exploration expenditure made during the period	-	1,673,553	1,673,553
Total segment liabilities	245,412	93,629	339,041

Notes to the Financial Statements

31 DECEMBER 2013

4. Contingent liabilities

The Parent Entity and the consolidated Group had contingent liabilities at 31 December 2013 in respect of:

Indemnities

Indemnities have been provided to directors and certain executive officers of the consolidated Group in respect of potential liabilities to third parties arising from their positions. No monetary limit applies to these agreements and there are no known liabilities still outstanding as at 31 December 2013.

Termination Benefits

At 31 December 2012, in circumstances where the employment of the Chief Executive Officer (CEO) was terminated without cause, up to six month's salary may have been payable in lieu of notice. The services of the CEO were terminated on 17 December 2013 following the requisite notice period. No amount was required or has been paid in respect of the severance provisions previously outlined. The Board has been advised by the former CEO however, of a claim for certain accrued benefits to which he believes there is an entitlement. On advice, the Board has taken the view that no such entitlement existed under the contract.

5. Events subsequent to balance date

Other than as noted elsewhere in this report, there has not arisen in the interval between the end of the half-year and the date of this report, any item, transaction or event of a material nature likely, in the opinion of the directors of the Company to affect the operations of the consolidated Group, the results of these operations or the state of affairs of the consolidated Group in subsequent periods.

Directors' Declaration

31 DECEMBER 2013

The directors' declare that, in their opinion:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the directors.

On behalf of the directors.



Niall Cairns
Chairman

Sydney
17 February 2013

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Independent Auditor's Review Report To the Members of Goldminex Resources Limited

We have reviewed the accompanying half-year financial report of Goldminex Resources Limited ("Company"), which comprises the consolidated financial statements being 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 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 Goldminex Resources 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 Goldminex Resources Limited 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 Goldminex Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 Goldminex Resources 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 Corporations Regulations 2001.

Material uncertainty regarding going concern

Without qualifying our opinion above, we draw attention to Note 1 to the financial statements. The consolidated entity has incurred net losses of \$1,365,120 for the period ended 31 December 2013, negative operating cash flows of \$658,229 and has accumulated losses of \$31,141,561. Furthermore during the period Vale International Holdings GmbH gave notice of withdrawal from the Owen Stanley Farm-in Agreement.

The above matters indicate the existence of a material uncertainty which may cast significant doubt about the Company's and consolidated entity's ability to continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the interim report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C F Farley
Partner - Audit & Assurance

Sydney, 17 February 2014