

**WELCOME STRANGER MINING LIMITED**  
**ABN 69 007 670 386**  
**AND ITS CONTROLLED ENTITIES**  
**FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

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## WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011

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

### DIRECTORS' REPORT

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

#### Current directors:

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

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

#### Previous directors:

<b>Greg Cornelsen</b>	Director (Non Executive) - appointed 7 October 2010 – resigned 13 September 2013
<b>Steve Nicols</b>	Chairman (Non Executive) - appointed 7 October 2010 – resigned 31 July 2013
<b>Christina Gillies</b>	Director (Non Executive) appointed 14 September 2001 - ceased 29 November 2010
<b>John Montgomerie</b>	Director (Non Executive) appointed 8 December 1999 - ceased 29 November 2010
<b>Paul Reading</b>	Director (Non Executive) and chairman appointed 21 May 2002 - ceased 29 November 2010

#### **Review of operations**

On 21 July 2011 CommSecure (Hong Kong) Limited was liquidated.

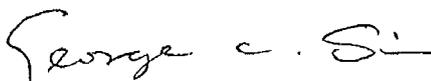
On 22 September 2011, the Company issued 4,015,000 fully paid shares at 1 cent per share to enable lenders to convert their loans to shares. The issue price was 1 cent per share (\$ 40,150).

On 30 December 2011 the Company announced the sale of its Queensland Gold Tenements in exchange for 3 million shares in Capital Gold Pty Ltd plus a royalty of 3% and \$ 12,500 in cash. The 3 million shares represent 2.2% of the share capital of Capital Gold Pty Ltd.

#### **Auditor's Independence Declaration**

The lead auditor's independence declaration for the period ended 31 December 2011 has been received and can be found on page 2 of this Half Year Report.

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



Mr George Sim (Director)

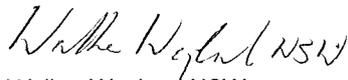


Mr Tony Crimmins (Director)

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

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2011 there have been no contraventions of:

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



Walker Wayland NSW  
Chartered Accountants



Grant Allsopp  
Partner

Dated this 19th day of February 2015, Sydney

**WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<b>Consolidated Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
Note	\$	\$
Revenue	-	232
ASX Registry Fees	(23,698)	(14,343)
Bank Charges	(89)	(226)
Impairment of Investments	-	(381,000)
Foreign Exchange	-	(62,748)
Other expenses	(3,195)	-
Professional Fees	(2,310)	-
Loss before income tax	(29,272)	(458,085)
Income tax expense	-	-
Loss for the period	(29,272)	(458,085)
Other comprehensive income for the period		
Exchange differences on translating foreign opportunities	-	62,748
Total comprehensive income	(29,272)	(395,337)
Loss attributes to members of the parent entity	(29,272)	(458,085)
Total comprehensive income attributable to members of the parent entity	(29,272)	(395,337)
Basic earnings per share from operations	(0.0)	(0.8)
Diluted earnings per share from operations	(0.0)	(0.8)

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

WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		Consolidated Group	
	Note	31 Dec 2011	30 June 2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,471	13,766
Trade and other receivables		1,399	-
TOTAL CURRENT ASSETS		5,870	13,766
NON-CURRENT ASSETS			
Other financial assets		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		5,870	13,766
CURRENT LIABILITIES			
Trade and other payables		9,240	18,014
Provisions		-	10,000
TOTAL CURRENT LIABILITIES		9,240	28,014
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		9,240	28,014
NET ASSETS		(3,370)	(14,248)
EQUITY			
Contributed equity	3	24,631,771	24,591,627
Accumulated losses		(24,335,147)	(24,605,875)
TOTAL EQUITY		(3,370)	(14,248)

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

**WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<b>CONTRIBUTED EQUITY</b>	<b>ACCUMULATED LOSSES</b>	<b>OTHER RESERVES</b>	<b>TOTAL</b>
<b>Consolidated Group</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2010</b>	24,771,547	(24,115,596)	(62,748)	593,203
Capital Contributions	412,000	-	-	412,000
Capital Distributions	(591,920)	-	-	(591,920)
Currency translation differences	-	-	62,748	62,748
Profit for the period	-	(252,085)	-	(189,337)
Total income	-	(252,085)	62,748	(189,337)
<b>Balance at 31 December 2010</b>	<b>24,385,627</b>	<b>(24,367,681)</b>	<b>-</b>	<b>17,946</b>
<b>Balance at 1 July 2011</b>	<b>24,591,627</b>	<b>(24,605,875)</b>	<b>-</b>	<b>(14,248)</b>
Capital Contributions	40,150	-	-	40,150
Profit for the period	-	(29,272)	-	(29,272)
Total comprehensive income	-	-	-	(29,272)
<b>Balance at 31 December 2011</b>	<b>24,631,777</b>	<b>(24,635,147)</b>	<b>-</b>	<b>(3,370)</b>

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

**WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<b>Consolidated Group</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inclusive of GST)	-	-
Mining royalties received (inclusive of GST)	-	97,268
Payments to suppliers and employees (inclusive of GST)	(39,445)	(12,782)
Other income	-	232
Net cash provided by (used in) operating activities	<u>(39,445)</u>	<u>84,718</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial Asset Purchased	-	(175,000)
Net cash provided by (used in)	<u>-</u>	<u>(175,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Convertible note - loan funds paid	(10,000)	-
Commercial loan funds paid	-	-
Proceeds from issue of securities	40,150	206,000
Capital Distribution to security holders	-	(591,920)
Net cash provided by (used in) financing activities	<u>31,150</u>	<u>(385,920)</u>
<b>CASH</b>		
Net increase in cash held	(9,295)	(476,202)
Net Foreign exchange differences	-	-
Cash at beginning of reporting period	<u>13,766</u>	<u>483,053</u>
Cash at end of reporting period	<u>4,471</u>	<u>6,851</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011**

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

**1. Statement of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Welcome Stranger Mining Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**a. Going concern**

The financial statements have been prepared on a going-concern basis notwithstanding that the Consolidated Entity incurred an operating loss after income tax of \$29,272 as at 31 December 2011 (Loss of \$458,085 31 December 2010).

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

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

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

**WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011**

**NOTE 2: DIVIDENDS**

No dividend (2010: \$NIL) was declared in respect of the year ending 31 December 2011.

**NOTE 3: CONTRIBUTED EQUITY**

	Note	Consolidated Group	
		31 Dec 2011	31 Dec 2010
		No.	No.
<b>a. No. of shares capital issued</b>			
No. of issued ordinary shares at beginning of period		178,394,044	104,469,789
Shares consolidated during the year	(i)	-	(83,575,745)
Shares issued during the year	(iii)	-	85,000,000
Shares issued during the year	(iv)	-	17,500,000
Shares issued during the year	(v)	-	35,000,000
Shares issued during the year	(vii)	-	20,000,000
Shares issued during the year	(viii)	4,015,000	-
No. of issued and paid up shares at reporting date		182,409,044	178,394,044
<b>b. Value of share capital issued</b>			
		\$	\$
Value of ordinary shares at beginning of reporting period		24,591,627	24,771,547
Capital Distributions during the year	(ii)	-	(559,958)
Shares issued during the year	(iii)	-	25,500
Shares issued during the year	(iv)	-	5,500
Shares issued during the year	(v)	-	175,000
Capital Distributions during the year	(vi)	-	(31,962)
Shares issued during the year	(vii)	-	206,000
Shares issued during the year	(viii)	40,150	-
		24,631,777	24,591,627

- (i)
- (ii) On 7 October 2010, the Company consolidated the existing share capital on a 5 for 1 basis. The shareholders approved the consolidation in an extraordinary general meeting on 6 October 2010;
- (iii) On 10 November 2010, the Company issued 85 million shares to the Investment group at \$ 0.0003 to raise \$ 25,500. The shareholders approved the issue of these shares in an extraordinary general meeting on 6 October 2010;
- (iv) On 10 November 2010, the Company issued 17.5 million shares to unrelated sophisticated investors at \$ 0.0003 to raise \$5,500. The shareholders approved the issue of these shares in an extraordinary general meeting on 6 October 2010;
- (v) On 10 November 2010, the Company issued 35 million shares to unrelated sophisticated investors at \$ 0.005 to raise \$ 175,000. The shareholders approved the issue of these shares in an extraordinary general meeting on 6 October 2010;
- (vi) On 29 October 2010, the Company returned \$ 31,962 to shareholders.
- (vii) On 13 December 2010, the Company issued 20 million fully paid ordinary shares to Queensland Ores Holdings Ltd in exchange for gold and copper exploration tenements in Queensland ;
- (viii) On 22 September 2011, the Company issued 4,015,000 fully paid shares to enable lenders to convert their loans to shares. The issue price for the shares was 1 cent per share (\$ 40,150).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

NOTE 4: SEGMENT REPORTING

Primary Reporting — Business Segments

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

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

No matters other than those listed below have arisen since June 30 2011 that have significantly affected or may significantly affect:-

- The Company's operations in future financial years;
- The results of those operations in future financial years; or
- The Company's state of affairs in future financial years.

Proposed restructure

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

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

a) MOA 1 - agreement with NiHAO and Capital Gold

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

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

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

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

b) MOA 2 - agreement with Dizon and Capital Gold

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

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

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

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

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

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

c) Conditions Precedent

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

- (a) The parties entering into formal agreements in relation to the subscription of shares;
- (b) Completion of legal and technical due diligence by Dizon and NiHAO on Welcome Stranger Mining Limited and Capital Gold;
- (c) Dizon and NiHAO being satisfied that Capital Gold and Welcome Stranger Mining Limited have the financial, legal, operational, and technical capabilities to undertake the transactions;
- (d) The granting of an environmental licence over the Tailing Rights to Dizon or to *Tailings Newco*, to clean up, operate, and rehabilitate the Tailings Dam mine site;

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011**

- (e) Capital Gold receiving a satisfactory legal opinion as to the validity and enforceability of the agreements under applicable Philippines laws;
- (f) Welcome Stranger Mining Limited shareholders approving the transactions;
- (g) Welcome Stranger Mining Limited obtaining all other regulatory approvals in accordance with the Corporations Act 2001 (Australia), the ASX Listing Rules and the Company's constitution;
- (h) ASX providing a list of conditions (including re-comply with Chapters 1 and 2 of the ASX listing rules) that once satisfied, will result in ASX lifting the suspension on the Company's shares trading on ASX; and
- (i) Capital Gold able to raise (via its entry into Welcome Stranger Mining Limited) the necessary financial requirements under the relevant MOAs.

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

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

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

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

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

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

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

- That every 20 shares in the company be consolidated to one Share
- Approval was given to make a significant change in the nature of its activities from a secure payments company to a mineral resources development company.
- The Company approved and authorized the Directors to allot and issue to the Capital Gold vendors, in accordance with the Capital Gold SPA, a total of 80,000,000 shares (on a post-consolidation-basis) to the Capital Gold Vendors,
- The Company approved and authorized the Directors to allot and issue to Dizon in accordance with the Dizon-SPA a total of 90,000,000 shares (on a post consolidation basis) to Dizon
- The Company approved and authorized the Directors to allot and issue to Oregalore or its nominee in accordance with the Masbate 13 SPA, a total of 50,000,000 shares (on a post consolidation basis).
- The Company approved and authorized the Directors to issue and allot up to 25,000,000 shares (on a post consolidation basis). At an issue price of \$0.20 each to be issued and allotted pursuant to a prospectus.
- Antonio Victoriano Gregorio III was elected as a Director on and from the completion of the above acquisitions
- Helen Tiu was elected as a Director on and from the completion of the above acquisitions.
- On 13 November 2014 the Company entered into a \$57,990 convertible loan with an unrelated party. The loan may only be converted with shareholders in general meeting voting to approve conversion of the loan into shares at an issue price of A\$0.005 cents per share.
- On 18 November 2014, the Company entered into a \$83,475 convertible loan with an unrelated party. The loan may only be converted with shareholder in general meeting voting to approve the conversion of the loan into shares at an issue price of A\$0.005 cents per share.
- On 30 January 2015, the Company entered into a \$20,000 convertible loan with an unrelated party. The loan may only be converted with shareholders in general meeting voting to approve the conversion of the loan into shares at an issue price of A\$0.005 cents per share.

**NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities accounted for as at 31 December 2011 and there has been no change in contingent liabilities since the last annual reporting date.

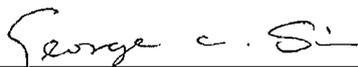
**WELCOME STRANGER MINING LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2011**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Welcome Stranger Mining Limited:

- (a) the financial statements and notes, set out on pages 3 to 10, are in accordance with the Corporations Act 2001:
  - (i) give a true and fair view of the economic entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
  - (ii) comply with Accounting Standard AASB134: Interim Financial Reporting and the Corporations Regulations 2001; 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. As disclosed in Note 1, the Group's mid to long term future is dependent upon the successful completion of any subsequent expansion program.

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



Mr George Sim (Director)



Mr Tony Crimmins (Director)

## Independent Auditors Review Report

To the members of Welcome Stranger Mining Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Welcome Stranger Mining Limited and controlled entities which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the financial period.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with AASB 134 Interim Financial Reporting including: giving a true and fair view of the consolidated entities financial position as at 31 December 2011 and its performance for the half-year ended on that date and complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Welcome Stranger Mining Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Welcome Stranger Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## Basis for Qualified Conclusion

Welcome Stranger Mining Limited was placed into liquidation on 2 July 2009. The company was removed from liquidation on 29 October 2010. There has been a limitation of scope regarding the comparative period figures for the year ended 30 June 2011 and the half year ended 31 December 2010. Since the opening balances enter into determination of financial performance and cash flows, we have been unable to determine whether adjustments might have been necessary in respect of the income for the year recorded in the consolidated statement of comprehensive income and the cash flows recorded in the consolidated statement of cash flows.

## Qualified Conclusion

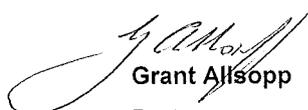
Except for the effect, if any, on the comparatives for the preceding corresponding period and the preceding financial year that may result in qualification in the preceding paragraph, based on our review which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Welcome Stranger Mining Limited and controlled entities is not in accordance with the *Corporations Act 2001*. Including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) Complying with AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001.

## Material Uncertainty Regarding Going Concern

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

  
**Walker Wayland NSW**  
Chartered Accountants

  
**Grant Allsopp**  
Partner

Dated this 19th day of February 2015, Sydney