Aus Asia Minerals Ltd

ABN 41 121 969 819

Interim Financial Report for the Half-Year ended

31 December 2014

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Table of Contents

Directors' Report

Your directors submit the financial report of Aus Asia Minerals Ltd (formerly Coal Fe Resources Ltd) ("the Company") and its Controlled Entities ("Consolidated Entity" or "Group") for the half-year ended 31 December 2014.

Directors

The names of the directors in office at any time during or since the end of the half year are:

Mr Chan Foo Khee (Non-Executive Independent Chairman – resigned 17 October 2014)

Mr Cheng Jew Keng (Operations Director – resigned 31 July 2014)

Mr Faris A Rahman (Finance Director – resigned 26 November 2014)

Mr Moo Hean Chong (Non-Executive Director)

Mr Yeo Wee Thow (Non-Executive Director- resigned 17 October 2014)

Mr Robert Swarbrick (Managing Director and appointed Executive Chairman 5 December 2014)

Mr Ben Donovan (Non-Executive Director appointed 17 October 2014)

Mr Evan Ball (Non-Executive Director appointed 12 December 2014)

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

Results of Operations

The loss after tax attributable to equity holders of the parent for the financial half-year ended 31 December 2014 amounted to $12,235,223 (2013: $264,801).

Review of Operations

Below is a summary of the consolidated entity's main resource projects and activities that have taken place throughout the period 1 July 2014 to 31 December 2014. All interested persons are encouraged to visit www.ausasiaminerals.com for a comprehensive review of the consolidated entity's activities.

PROJECT REVIEW (Activities during the half-year ended 31 December 2014)

ABADI PROJECT

Coal prices continued to be subdued resulting in little production from the Abadi project. As a result the company received little royalty income.

As provided in the Joint Mine Management Agreement between the Company and PT. Toba Jaya, these coal sales translate into a royalty of USD1.00 per metric tonne for the Company.

On 1 and 9 September 2014, with the immediate forecast for the coal prices to remain supressed, and with ongoing delays in payment of royalties by the Joint Venture partner, the board deemed it was prudent to take the necessary step of writing down the full value of the Abadi project. The impairment loss was booked in the 30 June 2014 financial report.

Under the Joint Venture Agreement, the Joint Venture partner is required to remit the royalty payment to the Company within five business days of the coal being sold. At present the payment of this royalty is being delayed. The Company has made attempts to ensure the timely payment of the royalty.

PT MINERAL SAKSUR MAKMUR (MSM)

On 17 October 2014, shareholders approved the acquisition of a 90% interest in MSM for the payment of US$2.5m consideration and an ongoing royalty. MSM operates an iron ore mine located in West Samatra, Indonesia, with supply going to local customers including Krakatoa Steel. Completion occurred several days later on the 28 October 2014.

Since shareholders voted for the acquisition, the Company has been working towards establishing the commencement of operations with the first shipment scheduled for early 2015. Preliminary sample and test work has been carried out.

Directors' Report (cont'd)

PT TUNNGAL PUTRA NUSANTARA (TPN)

Also at the 17 October 2014 meeting, shareholders approved the acquisition of a 70% interest in TPN for the payment of US$150,000 plus a royalty as consideration. Completion occurred several days later on the 28 October 2014.

TPN is the owner of a high calorie anthracite coal concession in Palin, West Sumatra. The concession ceased production due to there being insufficient working capital from the previous owners. The concession is close to key infrastructure and has ready purchasers in the local Indonesian market.

Subject to the completion of a capital raising, the company intends to commence drilling of key targets.

CORPORATE

On 17 October 2014, the Company announced the issue of 365,750,000 shares to Robert Swarbrick and various advisers in connection with shareholder approval following the acquisition of MSM and TPN, including 4,000,000 options exercisable at $0.02 on or before 20 October 2018.

On 22 October 2014, the Company changed its registered office to C/-Accent Accounting (WA) Pty Ltd, 125 Royal Street, East Perth WA 6004, and its principle place of business to Suite 38, 18 Stirling Highway, Nedlands WA 6009.

On 28 November 2014, the Company held a general meeting, where all resolutions were passed unanimously on a show of hands.

On 28 November 2014, the Company announced the issue of 118,500,000 shares to various investors at $0.01 and $0.005 per share for working capital purposes

Effective 17 December 2014, the company changed its name to Aus Asia Minerals Limited from Coal Fe Resources, and traded under the new ASX code AQJ.

EVENTS SUBSEQUENT TO BALANCE DATE

On 29 January 2015, the Group issued 64,000,000 fully paid ordinary shares at $0.005, raising $300,000 in cash.

On 19 February 2015, the Group announced a non-binding memorandum of understanding with a subsidiary of Krakatau Steel in relation to the marketing and development of resource projects in Indonesia.

On 6 March 2015, the Group sold its asset classified as held for sale for consideration of $155,000.

No other matters or circumstances have arisen since the end of the financial period which significantly affects the operations of the Group, the results of those operations or the state of affairs of the Group.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2014.

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

For and on behalf of the Directors

Robert Swarbrick
Executive Chairman

DATED this 16th day of March 2015

Bentleys
THINKING AHEAD

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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 Aus Asia Minerals Ltd 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

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2014

	Note	31.12.2014 $	31.12.2013 $
Revenue			
Royalties income		40,220	99,579
Employee benefits expenses		(193,426)	(137,437)
Depreciation and amortisation expenses		(620)	(146,860)
Consulting and management expenses		(530,358)	(11,127)
Bad and doubtful debts		(119,598)	-
Share based payment expenses	11	(9,951,919)	-
Administration expenses		(668,494)	(63,209)
Impairment	13	(449,940)	-
Unrealised foreign exchange loss		(363,283)	-
Net loss before income tax expense		(12,237,418)	(259,054)
Income tax expenses relating to ordinary activities		-	-
Net loss for the half-year		(12,237,418)	(259,054)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		207,657	57,960
Other comprehensive income for the period net of tax		207,657	57,960
Total comprehensive income for the period		(12,029,761)	(201,094)
Net loss attributable to:			
Equity holders of the parent		(12,235,223)	(264,801)
Non-controlling interest		(2,195)	5,747
		(12,237,418)	(259,054)
Total comprehensive income attributable to :			
Equity holders of the parent		(12,027,566)	(206,841)
Non-controlling interest		(2,195)	5,747
		(12,029,761)	(201,094)
Basic loss per share (cents)		(4.52)	(4.24)

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Financial Position

as at 31 December 2014

	Note	31.12.2014 $	30.06.2014 $
CURRENT ASSETS			
Cash and cash equivalents		165,702	75,419
Trade and other receivables		37,386	175,708
Inventory		1,058,831	-
Assets classified as held for sale		122,267	122,267
TOTAL CURRENT ASSETS		1,384,186	373,394
NON CURRENT ASSETS			
Property, plant and equipment	5	2,877,199	7,386
Exploration and evaluation expenditure	6	139,939	-
TOTAL NON CURRENT ASSETS		3,017,138	7,386
TOTAL ASSETS		4,401,324	380,780
CURRENT LIABILITIES			
Trade and other payables	7	1,532,086	768,365
Financial liabilities	8	3,819,031	334,013
TOTAL CURRENT LIABILITIES		5,351,117	1,102,378
NON CURRENT LIABILITIES			
Trade and other payables	7	-	511,986
Financial liabilities	8	-	702,031
Provisions		148,213	-
Deferred tax liability		981,761	-
TOTAL NON CURRENT LIABILITIES		1,129,974	1,214,017
TOTAL LIABILITIES		6,481,091	2,316,395
NET ASSETS		(2,079,767)	(1,935,615)
EQUITY			
Issued capital		19,732,527	8,176,919
Reserves		210,331	(77,684)
Accumulated losses		(22,314,926)	(10,079,703)
Equity attributable to owners of the parent		(2,372,068)	(1,980,468)
Non-Controlling interest		292,301	44,853
TOTAL EQUITY		(2,079,767)	(1,935,615)

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 $	Foreign Exchange Translation Reserve $	Option Reserve	Accumulated Losses $	Non-Controlling Interest $	Total $
Balance at 1 July 2014	8,176,919	(77,684)	-	(10,079,703)	44,853	(1,953,615)
Net loss for the period		-	-	(12,235,223)	(2,195)	(12,237,418)
Other comprehensive income	-	207,657	-	-	-	207,657
Total comprehensive income	-	207,657	-	(12,235,223)	(2,195)	(12,029,761)
Transactions with owners in their capacity as owners						
Ordinary shares issued during the period	11,555,608	-	-	-	-	11,555,608
Attributable to new subsidiary acquisitions		-	-	-	249,643	249,643
Options issued during the year	-	-	80,358	-	-	80,358
Balance at 31 December 2014	**19,732,527**	**129,973**	**80,358**	**(22,314,926)**	**292,301**	**(2,079,767)**
Balance at 1 July 2013	8,176,919	(131,040)	-	(7,763,735)	32,081	314,225
Net loss for the period	-	-	-	(264,801)	5,747	(259,054)
Other comprehensive income	-	57,960	-	-	-	57,960
Total comprehensive income	-	57,960	-	(264,801)	5,747	(201,094)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance at 31 December 2013	8,176,919	(73,080)	-	(8,028,536)	37,828	113,131

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2014

	Note	31.12.2014 $	31.12.2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from royalties fees		40,220	88,732
Payments to suppliers and employees		(1,093,877)	(138,072)
Net Cash Used in Operating Activities		(1,053,657)	(49,340)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash outflow on acquisition of subsidiaries	12	(88,148)	-
Net Cash Used in Investing Activities		(88,148)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Ordinary Shares issue		1,450,000	-
Repayment of loans		(218,552)	-
Net Cash Provided by Financing Activities		1,231,448	-
Net (Decrease)/Increase in cash held		89,643	(49,340)
Effect of exchange rate changes on cash and cash equivalents		640	(125)
Cash at beginning of period		75,419	51,926
Cash at end of period		165,702	2,461

The accompanying notes form part of these financial statements

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 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 Aus Asia Minerals Limited (the "Company") and its Controlled entities (the "Consolidated entity"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2014, together with any public announcements made during the half-year.

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. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1a) New and Revised Accounting Standards

New or revised standards and interpretations that are first effective in the current reporting period
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 have not had a material impact on this half year financial report.

1. BASIS OF PREPARATION (cont'd)

1b) Going Concern

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

The Group incurred a loss for the period of $12,237,418 (2013: $259,054), included in this loss were share based payment expenses of $9,951,919 and impairment losses of $449,940. During the period the Group had net cash outflows from operating activities of $1,053,657 (2013: $49,340), and as at 31 December 2014, the Group had a cash balance of $165,702 (30 June 2014: $75,419) and a working capital deficit of $3,966,931 (30 June 2014: $728,984). Included in current liabilities are $2,944,858 owed to vendors of the PT Mineral Saksur Makmur ("PT MSM") and PT Tunngal Putra Nusantara ("PT TPN") transactions.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Group is in advanced negotiations to obtain funding via a senior secured line of credit for up to US$5 million. These funds will be utilised to commence production at the mine acquired via the acquisition of PT MSM;
- the Group is in advanced discussions with the Vendor of PT MSM to re-negotiate the payment schedule for the deferred consideration of $2,892,399;
- the Group raised $300,000 via the issue of 64,000,000 shares at $0.005 on 29 January 2015;
- the Group has entered into a Standby Subscription Agreement for an amount up to $2 million convertible to ordinary shares at an issue price of 80% of the 5 day VWAP preceding the drawdown;
- the Directors have an appropriate plan to commence production at the PT MSM mine shortly after the receipt of finance. This includes the signing of a Memorandum of Understanding with PT Krakatau National Resources for the sale of iron ore;
- the Directors have an appropriate plan to contain certain expenditure to match the availability of funding; and
- the Company has received a letter of support from Mr Robert Swarbrick confirming he will continue to support the company to enable it to pay its debts as and when they fall due for the next twelve months from the date of signing this report or until sufficient funding has been obtained.

The ability of the Group to continue as a going concern is principally dependent upon it being able to secure funds from capital raisings and other sources, finalising negotiations as mentioned above and generating positive cashflows from the recommencement of operations at the MSM project.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this half year financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

1c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. CONTINGENT ASSETS AND LIABILITIES

On 28 October 2014, the Group completed the acquisition of PT Mineral Saksur Makmur. As part of the share sale agreement, the Group agreed to pay a royalty of US $5 per metric ton of iron ore produced and sold.

On 28 October 2014, the Group completed the acquisition of PT Tunngal Putra Nusantara. As part of the share sale agreement, if the results of a geological survey demonstrate that the coal reserve in the concession exceeds 150,000 metric ton, the Group would be required to pay an additional payment of Rp. 1,000,000,000 to the vendor.

There has been no other change in contingent assets or liabilities since the last annual reporting date.

3. SEGMENT INFORMATION

Operating Segment

The consolidated entity operates predominantly in one geographical segment, being Indonesia, and in one industry, mineral exploration and mining.

4. SUBSEQUENT EVENTS

On 29 January 2015, the Group issued 64,000,000 fully paid ordinary shares at $0.005, raising $300,000 in cash.

On 19 February 2015, the Group announced a non-binding memorandum of understanding with a subsidiary of Krakatau Steel in relation to the marketing and development of resource projects in Indonesia.

On 6 March 2015, the Group sold its asset classified as held for sale for consideration of $155,000.

No other matters or circumstances have arisen since the end of the financial period which significantly affects the operations of the Group, the results of those operations or the state of affairs of the Group.

5. PROPERTY, PLANT & EQUIPMENT

	31.12.14		
	Office Equipment $	Mine Properties (i) $	Total $
Cost	9,609	2,868,210	2,877,819
Accumulated depreciation	(620)	-	(620)
Balance at end of financial year	8,989	2,868,210	2,877,199

(i) Mine properties were acquired as part of the Group's acquisition of PT Mineral Saksur Makmur as described in Note 13.

6. EXPLORATION AND EVALUATION EXPENDITURE

	31.12.2014 $	30.6.2014 $
Exploration and evaluation expenditure	139,939	-
	139,939	-

During the period, the Group acquired 70% of the shares in PT Tunngal Putra Nusantara, a company which holds a coal concession in Indonesia. The acquisition was not deemed to be the acquisition of a business.

7. TRADE AND OTHER PAYABLES

	31.12.2014 $	30.6.2014 $
Current trade and other payables		
Trade payables	308,416	-
Due to directors (i)	244,074	641,779
Other (i)	979,596	126,586
Total current liabilities	1,532,086	768,365
Non-current trade and other payables		
Due to directors (i)	-	444,970
Other (i)	-	67,016
Total non-current liabilities	-	511,986
	1,532,086	1,280,351

(i) All loans and advances to these parties are unsecured, subordinate to other liabilities and have no fixed term of repayment.

8. FINANCIAL LIABILITIES
Current financial liabilities

		31.12.2014 $	30.6.2014 $
Advance from Director	(i)	12,148	317,500
Loan from Shareholder	(i)	180,000	-
Amounts payable on acquisition of subsidiaries	(ii)	2,944,858	-
Other	(i)	682,025	16,513
		3,819,031	334,013

(i) All loans and advances to these parties are unsecured, subordinate to other liabilities and have no fixed term of repayment.

(ii) This amount relates to amounts payable on the acquisition of PT Mineral Saksur Makmur and PT Tunngal Putra Nusantara as at 31 December 2014. Details of the amount are described below:

		31.12.2014 $
Amount owing to vendor - acquisition of PT Mineral Saksur Makmur	(a)	2,892,399
Amount owing to vendor - acquisition of PT Tunngal Putra Nusantara	(b)	52,459
		2,944,858

(a) As part of the Conditional Share Purchase Agreement for the acquisition of PT Mineral Saksur Makmur, the cash consideration is payable on the following terms:

1. US $20,000 payable 5 business days from the execution of the Conditional Share Purchase Agreement
2. US $980,000 will be paid on the completion date
3. US $1,000,000 will be paid 30 days after the completion date
4. US $500,000 will be paid 60 days after the completion date

While the above amounts expect for the initial US $20,000 are past due as at 31 December 2014, the Company is in advanced negotiations with the Vendor of PT Mineral Saksur Makmur to re-negotiate the payment schedule for the deferred consideration of $2,892,399.

(b) Amount remaining payable on PT Tunngal Putra Nusantara is due and payable.

8. FINANCIAL LIABILITIES (cont'd)
Non-current financial liabilities

	31.12.2014	30.6.2014
	$	$
Advance from PT Toba Jaya (i)	-	416,939
Loan from shareholder (i)	-	180,000
Other (Non – Related Party)	-	105,092
	-	702,031
Total financial liabilities	3,819,031	1,036,044

(i) All advances and loans to related parties and from related parties are unsecured, subordinate to other liabilities and have no fixed term of repayment. No interest was charged on the outstanding balances during the financial period.

9. ISSUED CAPITAL

	Quantity	$
Fully paid ordinary shares		
Movement in fully paid ordinary shares on issue:		
Balance at 1 July 2014	95,518,100	8,176,919
Shares issued as introductory and advisory fees (i)	365,700,000	10,105,608
Capital raising for working capital	118,500,000	840,000
Capital raising for working capital	122,000,000	610,000
	701,718,100	19,732,527

(i) Amount includes share based payments to related parties. Refer to Note 11 and Note 12.

10. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of those which are measured at cost being trade & other receivables, trade & other payables and loans & advances. The carrying amounts of these financial assets & liabilities approximate their fair value.

11. SHARE BASED PAYMENTS

Shares

On the 17 October 2014, the Company issued a total of 365,700,000 shares as part of the acquisition of PT Mineral Saksur Makmur and PT Tunngal Putra Nusantara (refer to Note 6 and Note 12).

	Number	$
Mr Robert Swarbrick (i)	334,650,000	9,033,408
Mr Ben Donovan (ii)	25,357,500	684,490
Precipio Capital Ltd (iii)	5,692,500	153,661
	365,700,000	9,871,560

(i) Issued to Managing Director Robert Swarbrick as an introduction fee for introducing the two projects to the Company.

(ii) Issued 25,357,500 shares to director Ben Donovan as an advisory fee.

(iii) Issued 5,692,500 shares to Precipio Capital Ltd as an advisory fee.

11. SHARE BASED PAYMENTS (continued)

Options

On the 17 October 2014, the Company issued the following options as part of the advisory fees:

	Number	$
Director Ben Donovan	2,900,000	58,260
Precipio Capital Ltd	1,100,000	22,099
	4,000,000	80,359

The value of the options was calculated by using a Black-Scholes option pricing model applying the following inputs:

	31 Dec 2014
Underlying share price	$0.027
Exercise price	$0.02
Expected share price volatility	100.11%
Risk-free rate	2.96%

12. RELATED PARTY TRANSACTIONS

During the period, the Company issued to Mr. Robert Swarbrick 334,650,000,000 shares as an introductory fee for providing the Company the opportunity to acquire PT Mineral Saksur Makmur and PT Tunngal Putra Nusantara. The total benefit as part of the fee issued is $9,033,408 (Refer Note 11).

During the period, the Company issued to Mr. Ben Donovan 25,357,500 shares and 2,900,000 options as an advisory fee for providing services to the Company in its acquisition of PT Mineral Saksur Makmur and PT Tunngal Putra Nusantara. The total benefit as part of the fee issued is $742,750 (Refer Note 11).

13. BUSINESS COMBINATION

13.1 Subsidiary acquired

On 28 October 2014, 90% of the shares in PT Mineral Saksur Makmur (MSM) were acquired for a consideration of $2,696,729. The principal activity of MSM is the production and sale of iron ore. The consideration is to be paid for in cash.

13.2 Fair value of assets acquired and liabilities assumed at the date of acquisition

	MSM $
Current Assets	
Inventory	997,531
Non-current Assets	
Property, Plant and Equipment	2,702,159
Current liabilities	
Trade and other payables	(138,703)
Non-current liabilities	
Deferred tax liabilities	(924,923)
Contingent liabilities	(139,632)
	2,496,432

13.3 Non-controlling interest

The non-controlling interest (5% ownership of MSM) recognised at the acquisition date was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

13.4 Goodwill arising on acquisition

	MSM
	$
Consideration transferred	2,696,729
Plus: non-controlling interests	249,643
Less: fair value of identifiable net assets acquired	(2,496,432)
Goodwill arising on acquisition	449,940

Goodwill on acquisition was fully impaired at acquisition date.

13.5 Net cash outflow on acquisition of subsidiaries

		31.12.14	
	MSM	TPN	Total
	(i)	(ii)	
	$	$	$
Consideration paid in cash	-	88,148	88,148
	-	88,148	88,148

(i) An amount of $2,892,399 remains payable at 31 December 2014. Refer to Note 8 for description of payment arrangements.

(ii) The acquisition of PT Tunngal Putra Nusantara was not deemed to be the acquisition of a business (Refer Note 6). An amount of $52,459 remains payable at 31 December 2014. Refer to Note 8.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 14 are in accordance with the Corporations Act 2001:

   (a) complying with Accounting Standard AASB 134 Interim Financial Reporting; and

   (b) give 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.

2. In the directors' opinion there are reasonable grounds to believe that the Aus Asia Minerals Limited 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.

Robert Swarbrick
Director

DATED this 16th day of March 2015

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Independent Auditor's Review Report

To the Members of Aus Asia Minerals Ltd

We have reviewed the accompanying half-year financial report of Aus Asia Minerals Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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.

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 Aus Asia Minerals Ltd 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

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 $12,237,418 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

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 16th day of March 2015