

**Fortunis Resources Limited**

**ABN 88 156 377 141**

**Half-Year Financial Report**

**31 December 2014**

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## DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Calogero Giovanni Battista Rubino	Chairman
Peter Alexander	Non-Executive Director
Darren Wates	Non-Executive Director and Company Secretary

### Review of Operations

The Company holds a 17% interest in exploration licence E57/838 (**Tenement**) pursuant to the Farm-In Agreement between Fortunis and Barrambie Minerals Pty Ltd (**BMPL**). During the period the Company elected not to continue sole funding exploration licence E57/838 to acquire a further 17% interest in the Tenement but to continue in joint venture with BMPL at its current 17% interest. Representatives of the Company and BMPL met as a joint operating committee to review and discuss previous exploration work completed on the Tenement and to plan further exploration activities.

During the period the Company lodged an application with the Department of Mines and Petroleum for a 100% interest in a new exploration licence E57/999. E57/999 comprises 39 graticular blocks and is located adjacent to, and predominantly south of, E57/838. The Company is progressing through the application process for grant of this tenement.

### Project Overview

The Company owns a 17% legal and beneficial interest in Exploration Licence 57/838 in the East Murchison region of Western Australia approximately 50 kilometres north north west of Sandstone and is party to a Farm-in and Joint Venture Agreement with BMPL in relation to that tenement.

The Tenement covers approximately 63 square kilometres and is located at the southern end of the Barrambie Greenstone Belt. The regional Barrambie Greenstone belt has been explored focusing on gold deposits associated with lithological and faults contacts and vanadium deposits contained within the layered intrusion. Lithologies at Barrambie which host gold mineralisation include gabbro, granite, felsic volcanics and sediments. The Tenement covers a sequence of metamorphosed mafic volcanic rocks and semi concordant gabbroic intrusions. A review of previous work done in the region suggests the potential for gold, copper and vanadium-titanium-iron mineralisation.

### Operating Results

The loss of the Company for the period was \$45,387.

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 2 and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



**C G B RUBINO**  
Chairman  
3 March 2015

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Fortunis Resources Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia  
3 March 2015

**N G Neill**  
**Partner**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Notes	31 December 2014 \$	31 December 2013 \$
<b>Revenue</b>			
Interest income		39,366	49,301
Other expenses	3	(84,753)	(87,909)
<b>Loss before income tax</b>		<b>(45,387)</b>	<b>(38,608)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(45,387)</b>	<b>(38,608)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>(45,387)</b>	<b>(38,608)</b>
Basic earnings/(loss) per share (cents per share)		(0.216)	(0.183)

The accompanying notes form part of these financial statements

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

		31 December 2014	30 June 2014
	Notes	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,550,108	2,602,095
Trade and other receivables		12,469	13,416
Other		2,000	2,000
<b>Total current assets</b>		<b>2,564,577</b>	<b>2,617,511</b>
<b>Non-current assets</b>			
Deferred exploration expenditure	4	83,486	76,335
Property, plant and equipment		489	734
<b>Total non-current assets</b>		<b>83,975</b>	<b>77,069</b>
<b>Total assets</b>		<b>2,648,552</b>	<b>2,694,580</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		4,836	5,477
<b>Total current liabilities</b>		<b>4,836</b>	<b>5,477</b>
<b>Total liabilities</b>		<b>4,836</b>	<b>5,477</b>
<b>Net assets</b>		<b>2,643,716</b>	<b>2,689,103</b>
<b>Equity</b>			
Issued capital	5	2,771,503	2,771,503
Reserves	6	700	700
Accumulated losses		(128,487)	(83,100)
<b>Total equity</b>		<b>2,643,716</b>	<b>2,689,103</b>

The accompanying notes form part of these financial statements

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

	Issued capital \$	Option reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2013</b>	2,766,709	700	(28,292)	2,739,117
Loss for the period	-	-	(38,608)	(38,608)
<b>Total comprehensive loss for the period</b>	-	-	(38,608)	(38,608)
Securities issued during the half-year	-	-	-	-
<b>Balance at 31 December 2013</b>	2,766,709	700	(66,900)	2,700,509

	Issued capital \$	Option reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2014</b>	2,771,503	700	(83,100)	2,689,103
Loss for the period	-	-	(45,387)	(45,387)
<b>Total comprehensive loss for the period</b>	-	-	(45,387)	(45,387)
Securities issued during the half-year	-	-	-	-
<b>Balance at 31 December 2014</b>	2,771,503	700	(128,487)	2,643,716

The accompanying notes form part of these financial statements

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

	31 December 2014	31 December 2013
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(85,682)	(85,654)
Interest received	41,128	76,560
Finance costs	(282)	(282)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(44,836)</b>	<b>(9,376)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(7,151)	(12,246)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(7,151)</b>	<b>(12,246)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of securities	-	-
Payments for share issue costs	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held	(51,987)	(21,622)
Cash and cash equivalents at the beginning of the period	2,602,095	2,644,039
<b>Cash and cash equivalents at the end of the period</b>	<b>2,550,108</b>	<b>2,622,417</b>

The accompanying notes form part of these financial statements

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with any public announcements made by Fortunis Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

**Basis of preparation**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted and methods of computation are consistent with those from the previous financial period and corresponding interim reporting period.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

**Significant accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied for the financial report for the year ended 30 June 2014.

**NOTE 2: SEGMENT REPORTING**

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Company that are reviewed by the chief operating decision maker in order to allocate the resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Fortunis Resources Limited. The Company operates in the one segment, being mineral operation and evaluation in Australia. Accordingly, under the "management approach" outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**NOTE 3: PROFIT/ (LOSS) BEFORE INCOME TAX EXPENSE**

	31 December 2014	31 December 2013
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Expenses		
Director Remuneration	33,000	33,000
Administration	51,753	54,909
	<u>84,753</u>	<u>87,909</u>

**NOTE 4: DEFERRED EXPLORATION EXPENDITURE**

	6 months to 31 December 2014	Year ended 30 June 2014
	\$	\$
Costs carried forward in respect of exploration and evaluation expenditure:		
Balance at the beginning of the period	76,335	59,964
Exploration and evaluation expenditure incurred	7,151	16,371
Total exploration and evaluation balance at the end of the period	<u>83,486</u>	<u>76,335</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable mineral or other natural resource deposits and their successful development and commercial exploration or sale of the respective mining areas.

**NOTE 5: ISSUED CAPITAL**

	31 December 2014	30 June 2014
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	<u>2,771,503</u>	<u>2,771,503</u>

	Six months to 31 December 2014		Year ended 30 June 2014	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	21,041,001	2,771,503	21,041,001	2,766,709
Shares issued	-	-	-	-
GST adjustment on share issue costs	-	-	-	4,794
Balance at end of period	<u>21,041,001</u>	<u>2,771,503</u>	<u>21,041,001</u>	<u>2,771,503</u>

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

**NOTE 6: OPTIONS**

	Six months to 31 December 2014		Year ended 30 June 2014	
	Number	\$	Number	\$
<i>Movements in options on issue</i>				
Balance at beginning of period	7,000,000	700	7,000,000	700
Options Issued	-	-	-	-
Balance at end of period	7,000,000	700	7,000,000	700

**NOTE 7: DIVIDENDS**

The directors of the Company have not declared an interim dividend.

**NOTE 8: CONTINGENT LIABILITIES**

There are no contingent liabilities at the reporting date.

**NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

**DIRECTORS' DECLARATION**

In the opinion of the directors of Fortunis Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year then ended; and
2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



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**C G B RUBINO**  
Chairman

**3 MARCH 2015**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Fortunis Resources Limited

**Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Fortunis Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*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 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 the *Corporations Act 2001* including: giving 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; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, 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 Fortunis Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company'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 the *Corporations Regulations 2001*.



**HLB Mann Judd**  
Chartered Accountants



**N G Neill**  
Partner

**Perth, Western Australia**  
**3 March 2015**