

Lawson Gold Limited

ABN 32 141 804 104

Interim Financial Report

for the half year ended 31 December 2013

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Directors' Report

The Directors of Lawson Gold Limited ('Lawson Gold') present their Report together with the financial statements of the consolidated entity, being Lawson Gold Limited ('the Company') and its controlled entity ('the Group') for the half year ended 31 December 2013 and the Independent Review Report thereon.

Director Details

The following persons were Directors of Lawson Gold during or since the end of the financial period.

Mr Simon O'Loughlin, Chairman	(appointed 1 July 2013)
Mr Peter Reid, Executive Director	(appointed 1 July 2013)
Mr Donald Stephens, Non-Executive Director	(appointed 1 July 2013)
Mr David Hillier	(retired 1 July 2013)
Mr Peter Watson	(retired 1 July 2013)
Mr David Turvey	(retired 1 July 2013)

Principal Activities

The principal activities of the Group during the period were:

- To continue to conduct mineral exploration on the Western Australian tenements held and to expand the ground position through the acquisition of further exploration licences in the area.
- To extend the search for available exploration licences which, through direct or indirect investment, will provide the potential for discovery and development of commercial deposits of gold or other minerals.

There were no significant changes in the nature of the Group's principal activities during the period.

Review of Operations

Highlights

- In July the Company announced changes to the Board to introduce a new approach to the management of the Company's existing tenement package and continue the search for new investment opportunities.
- Discussions are ongoing with third parties interested in reviewing its gold and nickel tenement package near Kalgoorlie for joint venture or potential purchase sale
- The Company is actively looking at new investment opportunities with strong growth potential.
- To the extent possible ongoing expenditure has been reduced to preserve funds whilst the board assess the strategic development of the Company moving forward.

Directors' Report (continued)

Corporate Activity

On the 2nd of July 2013 the Company announced changes to the Board to introduce a new approach to the management of the Company's existing tenement package and continue the search for new investment opportunities. Accordingly the Company advised of the resignations of Mr David Hillier, Mr David Turvey and Mr Peter Watson and the appointments of Mr Simon O'Loughlin as chairman, Mr Peter Reid as an executive director and Mr Donald Stephens as a non-executive director. Mr Stephens remains as company secretary. On the 25th of November the Company held its Annual General Meeting where the temporary board appointed in July 2013, were formally re-elected.

The Board are actively exploring new investment opportunities with strong growth potential. The Company's cash position at the end of the reporting period is \$545,000 and to the extent possible ongoing expenditure has been reduced to preserve funds whilst the board assess the strategic development of the Company moving forward.

It is a difficult period for the minerals sector generally with low exploration activity and investment funding very tight. The Company maintains a strong portfolio of gold and nickel exploration assets in the world-class Kalgoorlie Mining District of Western Australia. Discussions are ongoing with third parties interested in reviewing the tenement package for joint venture or potential purchase sale. The Board is evaluating a number of new project opportunities.

Project Activities

During the period project work focused on data provision for third party assessment. An appraisal of an historical 2008 ground electro-magnetic (EM) geophysical survey has highlighted 6 conductive targets (Table 1) spatially associated with prospective Archean ultramafic host rocks and occur in close proximity to the Black Swan Nickel and Silver Swan Nickel deposits (Figures 1&2).

The ground EM geophysical survey was the last campaign of works conducted by the Mithril Resources Ltd/BHPB Alliance Joint Venture with FerrAus Ltd. In 2009 BHPB and Mithril Resources Ltd withdrew from the project to concentrate on other projects without testing the targets. With the subsequent spin out of the tenements into Lawson Gold Ltd from FerrAus Ltd, the exploration that followed from 2010 focused on the gold potential due mainly to a weaker nickel and a stronger gold price and as a result the nickel EM targets have remained un-tested.

The EM survey comprises a single northeast-southwest orientated line with 32 soundings, collected at the Silver Swan North Prospect (Figure 1) and a grid of 12 east-west lines on the Silver Swan Northeast Prospect for a total of 474 soundings (Figure 2). The survey was conducted by Absolute Geophysics using their cutting edge total field EM system. The purpose of the survey was to identify potential nickel mineralization which is typically hosted in massive sulphides and is therefore conductive.

All responses are conductive enough to be caused by nickel sulphide and as such warrant drill testing. The southeastern targets are clearly of most interest as they lie not far from the Black Swan mine and the Silver Swan deposits themselves. The Company is currently working on strategies to finance drilling of these targets.

Directors' Report (continued)

Target	Depth (metres)	Strike Length / Depth Extent (metres)	Dip/Dip Direction (deg.)	Conductivity/Thickness (siemens/metre (S/m))
Silver Swan North	155	1000 / 700	70 / 60	6000
Southeastern 1	320	300 / 100	32.5 / 87.5	25000
Southeastern 2	320	200 / 150	35 / 87.5	5000
Southwestern 1	170	800 / 200	70 / 100	700
Southwestern 2	170	600 / 200	78 / 85	800
Northern	170	500 / 210	90 / 73	1200

Table I – Lawson Project High Priority EM Targets.

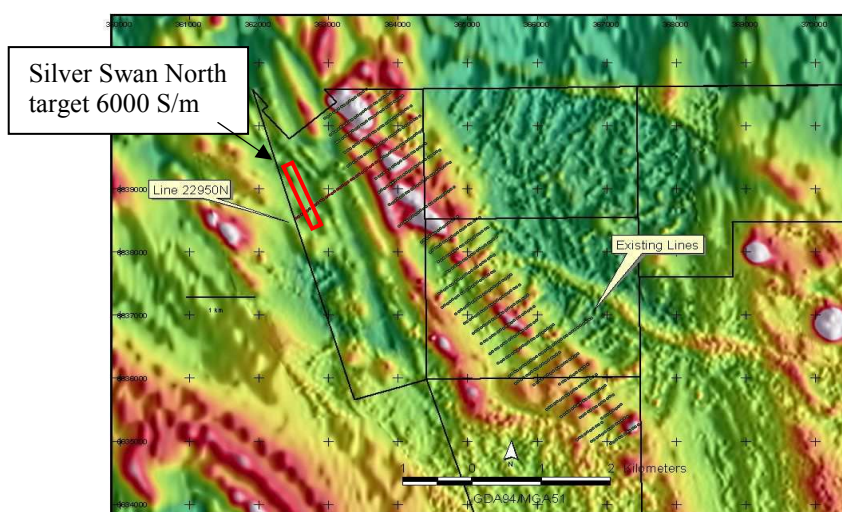


Figure 1 Location of Silver Swan North 2008 ground EM line (red) and earlier EM Survey lines (green) on a pseudo colour reduced to pole aeromagnetic image.

Directors' Report (continued)

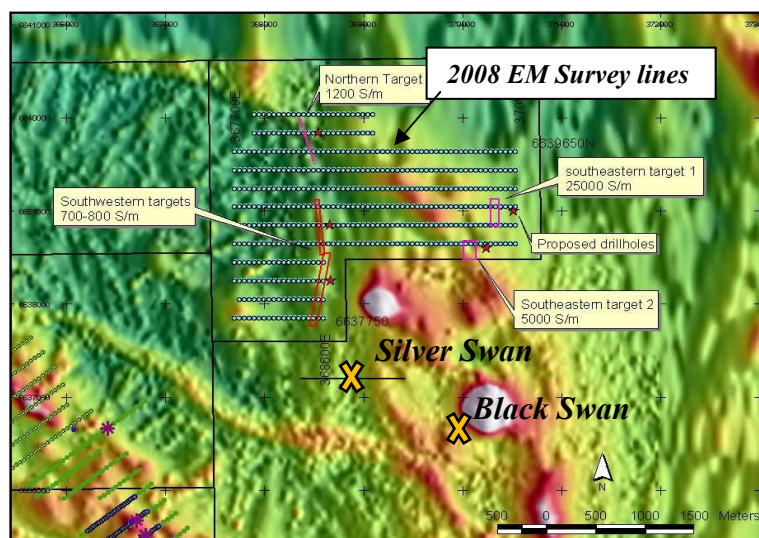


Figure 2 Plan map of Silver Swan Northeast ground EM targets on a pseudo colour reduced to pole aeromagnetic image.

Competent Persons Statement: The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Peter Reid, who is a Competent Person, and a Member of The Australasian Institute of Mining and Metallurgy. Mr Reid is an Executive Director and part time contractor to Lawson Gold Ltd. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Investments

Punch Resources Limited

The Company holds 1 share (100%) in Punch Resources Limited. Punch Resources Limited was incorporated on 22 August 2012.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 6 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the Directors.

Mr Simon O'Loughlin
Chairman

11 March 2014

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF LAWSON GOLD LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Lawson Gold 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Partner – Audit & Assurance

Adelaide, 11 March 2014

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2013

		Consolidated Group	
		Half-year ended	
		31 Dec 2013	31 Dec 2012
		\$	\$
Other income	6 (a)	11,344	4,994
Employee benefits expense	6 (b)	(49,540)	(50,000)
Depreciation expense		(1,687)	(1,074)
Finance costs		-	(53)
Consultancy fees		(1,915)	(246,701)
Impairment of exploration and evaluation assets		(695)	-
Other expenses	6 (c)	(105,566)	(290,597)
Loss before income tax expense		(148,059)	(583,431)
Income tax benefit/(expense)		-	-
Loss from continuing operations		(148,059)	(583,431)
Loss attributable to members of the parent entity		(148,059)	(583,431)
Other comprehensive income		-	-
Total comprehensive income for the period		(148,059)	(583,431)
Earnings per share:		<i>Cents</i>	<i>Cents</i>
Basic earnings per share		(0.59)	(2.34)
Diluted earnings per share		(0.59)	(2.34)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the interim financial report.

Consolidated Statement of Financial Position

As at 31 December 2013

		Consolidated Group	
		31 December 2013	30 June 2013
	Note	\$	\$
Current Assets			
Cash and cash equivalents		544,672	775,924
Trade and other receivables		7,348	3,307
Other current assets		8,280	2,013
Total Current Assets		560,300	781,244
Non-Current Assets			
Plant and equipment		1,919	3,606
Exploration and evaluation assets	7	1,235,179	1,182,148
Total Non-Current Assets		1,237,098	1,185,754
Total Assets		1,797,398	1,966,998
Current Liabilities			
Trade and other payables		51,201	72,742
Total Current Liabilities		51,201	72,742
Total Liabilities		51,201	72,742
Net Assets		1,746,197	1,894,256
Equity			
Issued capital	8	4,641,622	4,641,622
Reserves		139,500	139,500
Retained earnings		(3,034,925)	(2,886,866)
Total Equity		1,746,197	1,894,256

The consolidated statement of financial position is to be read in conjunction with the notes to the interim financial report.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2013

	Consolidated Group			
	Issued Capital Ordinary \$	Share Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2012	4,641,622	139,500	(2,176,889)	2,604,233
(Loss) for the period	-	-	(583,431)	(583,431)
Balance at 31 December 2012	4,641,622	139,500	(2,760,320)	2,020,802

	Consolidated Group			
	Issued Capital Ordinary \$	Share Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2013	4,641,622	139,500	(2,886,866)	1,894,256
(Loss) for the period	-	-	(148,059)	(148,059)
Balance at 31 December 2013	4,641,622	139,500	(3,034,925)	1,746,197

The consolidated statement of changes in equity is to be read in conjunction with the notes to the interim financial report.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2013

	Half-year ended	
	31 Dec 2013	31 Dec 2012
	\$	\$
Cash Flows From Operating Activities		
Interest received	2,123	12,389
Payments to suppliers and employees	(180,344)	(731,945)
Net Cash Used In Operating Activities	(178,221)	(719,556)
Cash Flows From Investing Activities		
Payments for exploration activities	(53,031)	(196,869)
Net Cash Used In Investing Activities	(53,031)	(196,869)
Net (decrease) in cash and cash equivalents	(231,252)	(916,425)
Cash at the beginning of the period	775,924	1,789,008
Cash At The End Of The Period	544,672	872,583

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

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

1. Corporate information

The consolidated financial statements of the Group for the six months ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 11 March 2014.

Lawson Gold Limited is a limited company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under the symbol LSN.

2. Significant accounting policies

Statement of compliance

The interim half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 “Interim Financial Reporting”. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report. The Group is a for-profit entity for the purposes of preparing the financial statements.

Basis of preparation

The 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 2013 annual financial report for the financial year ended 30 June 2013, 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.

New standards, interpretations and amendments adopted by the Group

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period as shown below.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013).

When these standards were first adopted for the year ended 30 June 2014, there was no impact on the transactions and balances recognised in the financial statements.

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).

There was no impact on the amounts recognised in the financial statements but has added additional disclosures in relation assets and liabilities which are measured using fair values.

(iv) Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The Group does not have any defined benefit plans. Therefore, these amendments had no impact on the Group.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group: The accounting standards that have not been early adopted for the half year ended 31 December 2013 , but will be applicable to the group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group.

Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the group's financial statements.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows;

The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and the remaining change is presented in profit or loss.

There will be no impact on the Group's accounting for financial assets or liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards. When these amendments are first adopted for the year ending 31 December 2014, they are unlikely to have any significant impact on the Group.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. When AASB 2012-3 is first adopted for the year ended 31 December 2014, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

(viii) Recoverable Amount Disclosures for Non-Financial Assets (Amendments to AASB 136)

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the Group given that they are largely of the nature of clarification of existing requirements.

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

3. Estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The critical estimates and judgements are consistent with those applied and disclosed in the June 2013 annual report.

4. Significant events and transactions

On 1 July 2013 the Company announced a number of changes to the board, resulting in a new approach to the management of the Company tenement package and search for ongoing investment opportunities.

5. Operating segment

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and has concluded at this time that there are no separately identifiable segments.

6. Revenue and expenses

	Half-year ended	
	31 Dec 2013	31 Dec 2012
	\$	\$
(a) Other Income		
Bank interest received or receivable	11,344	4,994
	<u>11,344</u>	<u>4,994</u>
(b) Employee Benefits Expense		
Wages, salaries, directors fees and other remuneration expenses	49,540	50,000
	<u>49,540</u>	<u>50,000</u>
(c) Other Expenses		
Accounting fees	45,752	35,839
Legal costs	2,678	153,604
Occupancy costs	370	2,727
Insurance	6,676	7,150
ASX fees	16,983	13,223
Travel & accommodation	-	23,341
Service Agreements	30	90
Audit fees	10,500	21,300
Other expenses	22,577	33,323
	<u>105,566</u>	<u>290,597</u>

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

7. Exploration and evaluation assets

	31 December 2013 \$	30 June 2013 \$
Balance at beginning of period	1,182,148	1,036,090
Capitalised exploration costs	53,726	633,543
Exploration costs written off	(695)	(487,485)
	<u>1,235,179</u>	<u>1,182,148</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective exploration areas.

Exploration and evaluation expenditure has been carried forward to the extent that it is expected to be recouped through the successful development of the area where activities have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves.

8. Issued capital

	As at 31 Dec 13 \$	As at 30 Jun 13 \$
Fully paid ordinary shares	4,641,622	4,641,622
	<u>4,641,622</u>	<u>4,641,622</u>
	Number	\$
Ordinary shares		
Balance at beginning of financial period	24,893,001	4,641,622
Balance at end of the financial period	<u>24,893,001</u>	<u>4,641,622</u>

9. Related party transactions

O'Loughlin's Lawyers, of which Simon O'Loughlin is a partner, received professional service fees of \$2,677.

Geovise Pty Ltd, of which Peter Reid is a Director, received consulting fees of \$3,150 during the half-year period.

HLB Mann Judd (SA) Pty Limited has received professional fees for accounting, taxation and secretarial services provided during the half-year totalling \$29,231. Donald Stephens, Non-Executive Director and Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Limited.

Amounts payable to HLB Mann Judd as at 31 December is \$28,688.

Notes to the Interim Financial Statements

For the half-year ended 31 December 2013

10. Subsequent events

No significant events have occurred after balance date.

11. Contingent liabilities

As at 31 December 2013 there were no contingent liabilities.

12. Going concern basis of accounting

The financial report has been prepared on the basis of a going concern. During the period ended 31 December 2013 the Company recorded a net cash outflow from operating and investing activities of \$231,252 and an operating loss of \$148,059.

The forward looking cash projections of the Company indicate that it is reliant on the completion of further capital raising for continued operations. The Company will be seeking to raise equity to fund operations, including exploration and working capital.

If additional capital is not obtained, the going concern basis may not be appropriate, with the result that the Company may have to realize its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Directors' Declaration

In the opinion of the Directors of Lawson Gold Limited:

- (a) the interim financial statements and notes of Lawson Gold Limited are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of its financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting; 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'S. O'Loughlin', with a stylized flourish at the end.

Simon O'Loughlin
Chairman

11 March 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LAWSON GOLD LIMITED

We have reviewed the accompanying half-year financial report of Lawson Gold 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 Lawson Gold 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 Lawson Gold 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.

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As the auditor of Lawson Gold 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 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 Lawson Gold 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 qualification to the conclusion expressed above, we draw attention to Note 12 to the financial statements. We note the financial statements indicate a net loss of \$148,059 during the half year ended 31 December 2013 and generated a net cash outflow of \$231,252 from operating and investing activities. These conditions, along with other matters identified in Note 12, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



SJ Gray
Partner – Audit & Assurance

Adelaide, 11 March 2014