

ABN 63 095 117 981

ASX Code CAP

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2015**



## CORPORATE DIRECTORY

### Board of Directors

Dr Neil Williams	Non-Executive Chairman
Quentin Hill	Managing Director
Bin Cai	Non-Executive Director
Paul Cholakos	Non-Executive Director

### Company Secretary

Robert William Hair

<p><b>Registered Office</b></p> <p>Level 6 345 Ann Street Brisbane Qld 4000</p> <p>PO Box 10919 Adelaide Street Brisbane QLD 4000</p> <p>Telephone: +61 7 3220 2022 Facsimile : +61 7 3220 1291 Email: info@capex.net.au Website: www.carpentariaex.com.au</p>	<p><b>Solicitors</b></p> <p>HWL Ebsworth Level 23, Riverside Centre, 123 Eagle Street Brisbane Qld 4000</p>
<p><b>Auditors</b></p> <p>BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000</p> <p>Telephone: 07 3237 5999 Fax: 07 3221 9227 Website: www.bdo.com.au</p>	<p><b>Share Registry</b></p> <p>Link Market Services Limited Level 19 324 Queen Street Brisbane QLD 4000</p> <p>Telephone: 1300 554 474 Facsimile: 02 9287 0303 Website: www.linkmarketservices.com.au</p>



## DIRECTORS' REPORT

Your directors present their report on Carpentaria Exploration Limited (the Company) and its controlled entities (the Consolidated Entity) for the half-year ended 31 December 2015.

## DIRECTORS

The names and details of the Directors of Carpentaria Exploration Limited (Carpentaria) in office at the date of this report or at any time during the financial period are:

<b>Name</b>	<b>Position</b>	<b>Period of directorship</b>
Dr Neil Williams	Non-Executive Chairman	Appointed 1 January 2012
Quentin Hill	Managing Director	Appointed 1 September 2013
Robert William Hair	Non-Executive Director	Appointed August 2007. Resigned 30 September 2015.
Bin Cai	Non-Executive Director	Appointed May 2011
Paul Cholakos	Non-Executive Director	Appointed 2 April 2012

## OPERATING RESULTS

For the half-year ended 31 December 2015, the loss for the Consolidated Entity after providing for income tax was \$770,665 (2014: loss of \$1,323,309).

## REVIEW OF OPERATIONS

The Company's principal asset is its interest in the Hawsons Iron project.

### **Hawsons Iron Project JV (CAP 62%, Pure Metals P/L 38% (diluting))**

The results at Hawsons have continued to demonstrate that the project has a clear and achievable project pathway and is well positioned in the market given the potential to produce a very high grade product at comparatively low costs. Work carried out this period is detailed below.

#### ***Testwork results demonstrate outstanding quality of Hawsons product***

During the period bulk scale test work produced over 500kg of pellet feed at >70%Fe and <2% silica without complex processing, demonstrating the potential to achieve top quality "Supergrade" results at a commercial scale in line with the Company's earlier cost estimates.

Also, during the period, a bulk sample of the current forecast shipping ore (70.3% Fe and 1.99% silica) was sent to the China Iron and Steel Research Institute (CISRI) for a series of pelletising and steel making performance tests, including product performance when blended with current Chinese ores. These tests have now been completed, and the results continue to give the Company confidence that Hawsons will be able to produce a product of the highest quality, and one that should be in demand for iron and steel production.

In addition, representative samples of the forecast shipping ore were sent to other Asian and Middle Eastern countries following customer requests, reflecting the high level of interest in the Hawsons product. The Company continues to have discussions with potential end users in the Middle East and Asia.

#### ***Bulk Upgrade Test Work***

The bulk scale upgrade test work was designed using previous upgrade results (refer ASX announcement 20 April 2015) and carried out by the ALS Iron Ore Technical Centre in Perth.

A bulk concentrate (500kg) was produced demonstrating how the project can produce direct reduction (DR) grade feed at commercial scale without chemicals, using gravity and magnets.

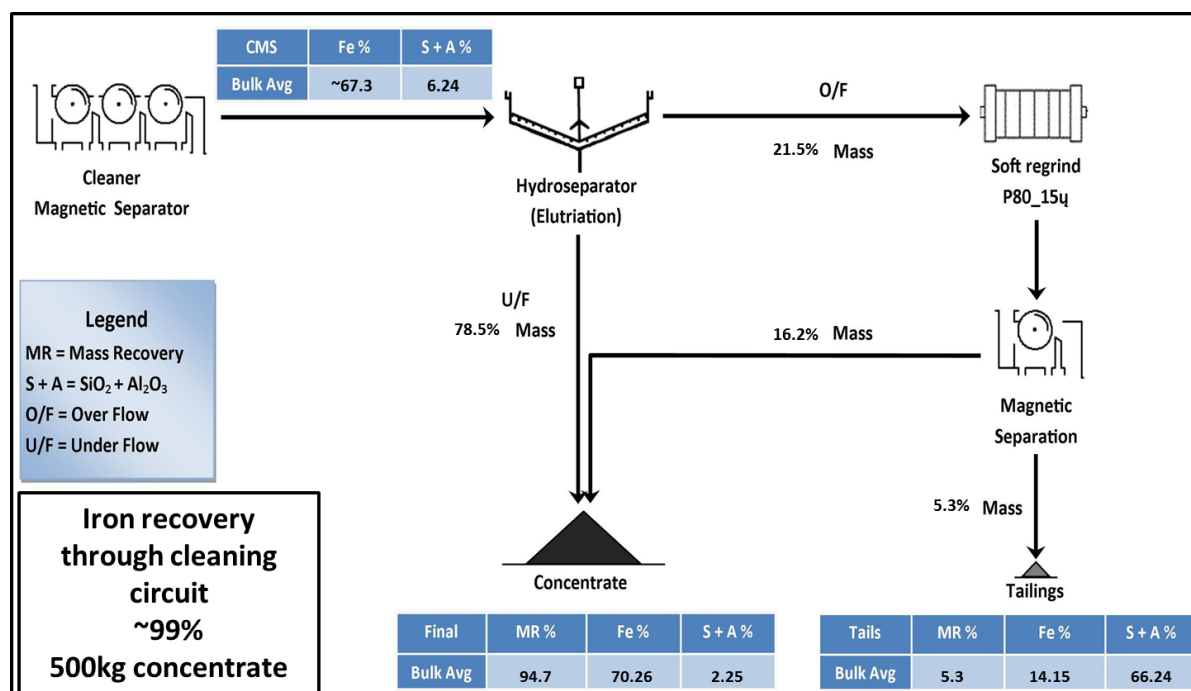


Figure 1. Possible high grade cleaning circuit based on the test work results after rougher magnetic separation and grinding.

The results showed the benefit of a flexible circuit where the velocity of the elutriation current controls the amount of material entering the soft regrind, and ultimately, the grade produced. In addition, magnetic losses were very small due to the near full liberation of magnetite.

Based on this test work, earlier processing cost estimates are not expected to change materially, and optimisation of the processing flow sheet will be undertaken following customer feedback on quality during the feasibility study. The results also confirmed that the product will meet the higher value DR market specifications (Table 1).

Table 1 Hawsons potential product vs typical DR pellet specification

	Hawsons magnetite pellet feed	Hawsons calcined**	Typical DR pellet specification*
Fe%	70.3	68.3	67.00
SiO <sub>2</sub> + Al <sub>2</sub> O <sub>3</sub> %	2.28	2.21	3.0
SiO <sub>2</sub>	1.99	1.93	na
Al <sub>2</sub> O <sub>3</sub> %	0.29	0.28	na
S %	0.001	0.001	0.008
P %	0.007	0.007	0.030
TiO <sub>2</sub> %	0.11	0.11	0.15

\*P8 The Midrex Process by Midrex 2015.

\*\* final grades when the magnetite is reduced to hematite during pelletising based on an LOI of -3.0%

Those to receive samples of Hawsons product include the manufacturers of direct reduction grade iron pellets and of high quality blast furnace pellets and the steel-makers that use such pellets.

Off-take support continues to be the Company's primary focus, and the Company is confident that the very high quality of the product differentiates Hawsons from other iron ore projects and will result in end user support.



### **OTHER ASSETS**

During the period, the Company entered into an in-principle agreement to farm out the Barellan (EL 7896) and Combaning (EL 6901) projects to a nominee of Faraday Resources Pty Ltd. This resulted in the agreement with Cape Clear (Lachlan) Pty Ltd, announced after the balance sheet date, under which Cape Clear may earn an interest in those tenements.

Carpentaria will continue to seek divestment opportunities for its other highly prospective NSW gold tenements, including Advene and Grong Grong located in the Lachlan Fold Belt, considered highly prospective for large-scale intrusion related gold mineralisation.

### **EVENTS AFTER BALANCE SHEET DATE**

There have been no events since 31 December 2015 that impact upon the financial report.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration under s307c of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read "Q S Hill", is written over a light grey circular stamp.

**Q S Hill**  
**Managing Director**

**Dated this 7<sup>th</sup> Day of March 2016**



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

## DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF CARPENTARIA EXPLORATION LIMITED

As lead auditor for the review of Carpentaria Exploration Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Carpentaria Exploration Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

**T R Mann**  
Director

**BDO Audit Pty Ltd**

Brisbane, 7 March 2016



**Consolidated Statement of Comprehensive Income  
For the Half-Year Ended 31 December 2015**

	Note	Half-Year Ended December 2015 \$	2014 \$
Revenue		81,958	61,157
Fair value loss on financial assets at fair value through profit or loss		(41,464)	(49,929)
Employment benefit expenses	4	(363,625)	(635,192)
Depreciation and amortisation expense		(8,415)	(18,375)
Finance costs		-	(502)
Rental and other lease expenses		(66,774)	(69,534)
Administration and project generation expenses	4	(372,345)	(610,934)
Loss before income tax		(770,665)	(1,323,309)
Income tax		-	-
Loss after income tax		(770,665)	(1,323,309)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		(770,665)	(1,323,309)
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
Basic earnings/(loss) per share		(0.67)	(1.18)
Diluted earnings/(loss) per share		(0.67)	(1.18)

*The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.*



**Consolidated Balance Sheet  
As at 31 December 2015**

	Note	December 2015 \$	June 2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,193,835	2,226,711
Trade and other receivables	1 (e)	57,610	1,066,115
Financial assets at fair value through profit or loss		12,094	53,558
Other current assets		287,263	349,912
<b>TOTAL CURRENT ASSETS</b>		<b>2,550,802</b>	<b>3,696,296</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		21,660	30,076
Exploration and evaluation assets	5	1,639,229	1,273,489
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,660,889</b>	<b>1,303,565</b>
<b>TOTAL ASSETS</b>		<b>4,211,691</b>	<b>4,999,861</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		56,001	138,852
Provisions		54,216	81,594
<b>TOTAL CURRENT LIABILITIES</b>		<b>110,217</b>	<b>220,446</b>
<b>TOTAL LIABILITIES</b>		<b>110,217</b>	<b>220,446</b>
<b>NET ASSETS</b>		<b>4,101,474</b>	<b>4,779,415</b>
<b>EQUITY</b>			
Share capital	2	20,099,817	20,007,093
Share based payment reserve		1,835,063	1,947,113
Accumulated losses		(17,833,406)	(17,174,791)
<b>TOTAL EQUITY</b>		<b>4,101,474</b>	<b>4,779,415</b>

*The Consolidated Balance Sheet should be read in conjunction with the Notes to the Financial Statements.*



**Consolidated Statement of Changes in Equity  
For the Half-Year Ended 31 December 2015**

	Share Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	19,972,480	2,140,433	(14,009,900)	8,103,013
<b>Transactions with owners in their capacity as owners</b>				
Issue of share capital	-	-	-	-
Total	-	-	-	-
<b>Comprehensive income</b>				
Loss after income tax	-	-	(1,323,309)	(1,323,309)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,323,309)	(1,323,309)
<b>Balance at 31 December 2014</b>	19,972,480	2,140,433	(15,333,209)	6,779,704
<b>Balance at 1 July 2015</b>	20,007,093	1,947,113	(17,174,791)	4,779,415
<b>Transactions with owners in their capacity as owners</b>				
Transfer of expired options	-	(112,050)	112,050	-
Issue of share capital	92,724	-	-	92,724
Total	92,724	(112,050)	112,050	92,724
<b>Comprehensive income</b>				
Loss after income tax	-	-	(770,665)	(770,665)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(770,665)	(770,665)
<b>Balance at 31 December 2015</b>	20,099,817	1,835,063	(17,833,406)	4,101,474

*The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.*



**Consolidated Cash Flow Statement  
For the Half-Year Ended 31 December 2015**

	Half-Year Ended December	
	2015	2014
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(732,132)	(1,309,224)
Interest received	42,539	42,245
Interest paid	-	(502)
Net cash used in operating activities	689,593	573,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration and evaluation assets	(779,569)	(549,894)
Government grants in relation to exploration assets	1,428,656	1,123,162
Net cash (used in)/ provided by investing activities	649,087	573,268
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	7,630	-
Repayment of finance leases	-	(3,576)
Net cash (used in)/ provided by financing activities	7,630	(3,576)
Net increase/(decrease) in cash and cash equivalents	(32,876)	(697,789)
Cash and cash equivalents at the beginning of the half-year	2,226,711	4,275,569
<b>Cash and cash equivalents at the end of the half-year</b>	<b>2,193,835</b>	<b>3,577,780</b>

*The Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.*



## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Reporting Entity

Carpentaria Exploration Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2015 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

### b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2015.

This consolidated interim financial report was approved by the Board of Directors on 7<sup>th</sup> Day of March 2016.

### Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2015.

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect the recognition or measurement of the results or financial position of the Consolidated Entity.

### c) Fair Values

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

#### Level 1 Investments: Quoted prices (unadjusted) in active markets for identical assets

For the half-year ended 31 December 2015 the value of the listed shares (disclosed in the balance sheet as 'Financial assets at fair value through profit or loss') was based on the closing price of TerraCom Ltd's (previously Guildford Coal Ltd) securities as quoted on the ASX on 31 December 2015.

Total realised and unrealised losses for the period included in profit and loss that relate to financial assets held at fair value through profit or loss at the end of the reporting period were \$41,464 (2014: 49,929).

The fair values of financial assets and liabilities approximate their carrying value. Except for shares in TerraCom Limited, no financial assets or liabilities are readily traded on organised markets in standardised form.

### d) Going Concern

As at 31 December 2015 the Consolidated Entity had cash reserves of \$2,193,835, net current assets of \$2,440,585 and net assets of \$4,101,474.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:



- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

e) Trade and other receivables

During the period a receivable of \$1,017,653, recognised at 30 June 2015 and relating to the research and development incentive, has been received.



	December 2015 \$	June 2015 \$
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## NOTE 2 SHARE CAPITAL

Fully paid ordinary shares	20,014,723	20,007,093
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### Ordinary Shares

	Dec 2015 \$	Jun 2015 \$	Dec 2015 #	Jun 2015 #
At the beginning of the year	20,007,093	19,972,480	112,687,777	111,752,277
Transfer from treasury shares <sup>1</sup>	92,724	34,613	2,613,730	935,500
Share issue costs	-	-	-	-
At reporting date	20,099,817	20,007,093	115,301,507	112,687,777

### Non-recourse employee shares (NRE)

At the beginning of the year	-	-	9,100,000	11,200,000
NRE shares issued	-	-	-	-
Transfer to treasury shares	-	-	(3,600,000)	(2,100,000)
At reporting date	-	-	5,500,000	9,100,000

### Treasury shares

At the beginning of the year	-	-	2,100,000	935,500
Transfer to ordinary shares <sup>1</sup>	-	-	(2,613,730)	(935,000)
Transfer from NRE shares	-	-	3,600,000	2,100,000
At reporting date	-	-	3,086,270	2,100,000

<b>Total Ordinary, NRE and Treasury Shares</b>	<b>20,099,817</b>	<b>20,007,093</b>	<b>123,887,777</b>	<b>123,887,777</b>
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<sup>1</sup> Jun 2015: 935,500 treasury shares were sold at \$0.037 each.  
Dec 2015: 2,363,730 treasury shares were issued at \$0.036 each to a consultant as payment for services rendered.  
250,000 treasury shares were sold at \$0.031 each.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Non-recourse employee (NRE) shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. NRE shares will not qualify for participation in any dividend reinvestment plan of the Company until the loan amount in respect of those shares has been repaid. The Company has a lien over the NRE shares in respect of which the loan amount is outstanding. The Company is entitled to sell any unpaid NRE shares in accordance with the CAP share plan.

### Options

Expiry Date	Exercise Price	Movements				31 December 2015
		1 July 2015	Issued	Exercised	Expired	
29 November 2015	\$0.440	1,500,000	-	-	(1,500,000)	-



### NOTE 3 SEGMENT REPORTING

#### Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Consolidated Entity as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segments during the year.

All assets are located in Australia.

### NOTE 4 PROFIT/ LOSS

	Half-Year Ended December	
	2015	2014
	\$	\$

Included in profit/(loss) are the following specific expenses:

*Included in 'Administration and project generation expenses':*

Legal expenses	5,498	78,248
Project generation expenses	-	8,024

*Included in 'Employment benefit expenses':*

Share based payment expense	85,094	-
Redundancy/restructure costs	160,871	336,295

### NOTE 5 EXPLORATION AND EVALUATION ASSETS

	Dec 2015	Jun 2015
	\$	\$

#### Exploration expenditure capitalised

Opening balance	1,273,489	2,368,774
Capitalised expenditure	776,743	666,013
Disposals	-	(37,500)
Government grants relating to exploration	(411,003)	(528,668)
Impairment of exploration expenditure	-	(1,195,130)
	1,639,229	1,273,489

Recoverability of the carrying amount of exploration assets is dependent upon the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

### NOTE 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 31 December 2015 that require disclosure in the financial report.

### NOTE 7 EVENTS AFTER BALANCE SHEET DATE

There have been no events since 31 December 2015 that impact upon the financial report.



## **DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Q S Hill", written over a light grey circular background.

**Q S Hill**  
Director

Brisbane  
7<sup>th</sup> Day of March 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carpentaria Exploration Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carpentaria Exploration Limited, which comprises the consolidated balance sheet as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising 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 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 consolidated entity's financial position as at 31 December 2015 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 Carpentaria Exploration 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 Carpentaria Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## 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 Carpentaria Exploration 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 2015 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 modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that 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.

**BDO Audit Pty Ltd**



**T R Mann**  
Director

Brisbane, 7 March 2016