

MINDAX LIMITED
ABN 28 106 866 442
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2014

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

MINDAX LIMITED
31 DECEMBER 2014

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MINDAX LIMITED
31 DECEMBER 2014

DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity consisting of Mindax Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Mr Benjamin Chow

Mr Andrew Tsang

Mr Kgai Mun Loh

Mr Yonggang Li

OPERATIONS AND FINANCIAL REVIEW

A summary of consolidated revenues and results for the half-year is set out below:

	2014		2013	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and loss	2,739	(6,461,895)	26,889	(2,793,255)

Mindax Limited ('Mindax' or 'the Company') is a Perth-based mineral exploration company that has undertaken a strategic review of the mineral exploration properties to which it has exploration rights. The Company has consolidated its tenement holding due to the severely constrained funding conditions present in the capital markets and particularly affecting small capital exploration companies. The Company has explored various funding opportunities and will continue to do so. It is the Company's objectives to restart its exploration programs as soon as funding is available.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Benjamin Chow

Executive Chairman

Perth, 16 March 2015

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINDAX LIMITED

As lead auditor for the review of Mindax Limited for the half-year ended 31 December 2014, 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 Mindax Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 16 March 2015

MINDAX LIMITED
31 DECEMBER 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-year	
	2014	2013
	\$	\$
Revenue from continuing operations	2,739	26,889
Advertising	(4,536)	(33,936)
Exploration expenditure impairment	(5,701,570)	(1,565,498)
Compliance and regulatory expenses	(34,135)	(32,274)
Legal and professional expenses	(172,774)	(150,377)
Depreciation and amortisation expense	(12,875)	(9,544)
Directors fees	(176,292)	(176,204)
Remuneration and employee expenses	(10,794)	(477,558)
Share-based payments – director and employee options	-	(75,882)
Travel expenses	(63,308)	(101,088)
Other expenses	(288,350)	(197,783)
LOSS BEFORE INCOME TAX	(6,461,895)	(2,793,255)
Income tax expense	-	-
LOSS FOR THE HALF-YEAR AFTER INCOME TAX	(6,461,895)	(2,793,255)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MINDAX LIMITED	(6,461,895)	(2,793,255)
Basic and diluted loss per share (cents)	(2.4)	(1.1)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		166,612	243,420
Trade and other receivables		101,718	147,720
Prepayments		21,085	40,094
TOTAL CURRENT ASSETS		289,415	431,234
NON-CURRENT ASSETS			
Prepayments		60,000	60,000
Plant and equipment		132,670	145,545
Other assets		2,885	2,885
Exploration and evaluation assets	3	16,681,044	22,136,011
TOTAL NON-CURRENT ASSETS		16,876,599	22,344,441
TOTAL ASSETS		17,166,014	22,775,675
CURRENT LIABILITIES			
Trade and other payables		312,091	234,713
Borrowings	4	800,000	800,000
Provisions		-	6,963
TOTAL CURRENT LIABILITIES		1,112,091	1,041,676
TOTAL LIABILITIES		1,112,091	1,041,676
NET ASSETS		16,053,923	21,733,999
EQUITY			
Issued capital	5	40,945,749	40,163,930
Reserves		871,452	871,452
Accumulated losses		(25,763,278)	(19,301,383)
TOTAL EQUITY		16,053,923	21,733,999

The above consolidated statement of financial position should be read in
conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013	39,353,930	795,570	(13,487,044)	26,662,456
Loss for the half-year	-	-	(2,793,255)	(2,793,255)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(2,793,255)	(2,793,255)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares and options issued during the period	600,000	-	-	600,000
Share issue transaction costs	10,000	-	-	10,000
Share-based payments	-	75,882	-	75,882
BALANCE AT 31 DECEMBER 2013	39,963,930	871,452	(16,280,299)	24,555,083
BALANCE AT 1 JULY 2014	40,163,930	871,452	(19,301,383)	21,733,999
Loss for the half-year	-	-	(6,461,895)	(6,461,895)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(6,461,895)	(6,461,895)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares and options issued during the period	800,000	-	-	800,000
Share issue transaction costs	(18,181)	-	-	(18,181)
BALANCE AT 31 DECEMBER 2014	40,945,749	871,452	(25,763,278)	16,053,923

The above consolidated statement of changes in equity should be read in
conjunction with the accompanying notes.

MINDAX LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(555,312)	(2,673,658)
Interest received	6,396	39,956
Net cash (outflow) from operating activities	(548,916)	(2,636,702)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(309,711)	(800,884)
Payments for property, plant and equipment	-	(5,942)
Net cash (outflow) from investing activities	(309,711)	(806,826)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	800,000	-
Payment of shares and options issue transaction costs	(18,181)	-
Proceeds from issue of convertible notes	-	900,000
Net cash inflow from financing activities	781,819	900,000
Net (decrease) in cash and cash equivalents	(76,808)	(2,543,528)
Cash and cash equivalents at the beginning of the half-year	243,420	3,459,634
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	166,612	916,106

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

This consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Mindax Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Capitalised expenditure in relation to tenements relinquished during the current period has been fully impaired, and an amount of \$2,187,921 has been impaired against the Mt Forrest Project following Board review of the current economic climate, including the iron ore price.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2015 annual report as a consequence of these amendments.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)*; and
- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*.

New standards and interpretations not adopted by the Group

The Group has 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 its business and, therefore, no change necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS (continued)

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the reporting period the Group incurred a net loss of \$6,461,895 and incurred net cash outflows from operating activities of \$548,916. The Group had a net working capital deficiency of \$822,676 at the reporting date.

Subsequent to the reporting date (refer note 11), the Group has received the gross proceeds from its Research and Development Grant amounting to \$757,895, and extended the repayment dates of its borrowings to 31 March 2016. The directors believe that they will be able to raise additional capital if required. The directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis. However should the Group be unsuccessful in undertaking additional raisings, or continue with funding from joint venture partnerships, the Group may not be able to continue as a going concern. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTE 2: SEGMENT INFORMATION

Identification of reportable segments

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach'. That is, segment information is provided on the same basis as information used for internal reporting purposes.

This has resulted in the segment being disaggregated into four reportable segments based on the minerals present in the Projects detailed in the Quarterly Activities Report released to the Australian Securities Exchange each quarter, prepared by management. Based on the contents of this report, the four reportable segments identified are:

1. Uranium (comprising the Yilgarn Avon Joint Venture (JV) – Palaeochannel Project and other non JV projects);
2. Gold (comprising the Meekatharra North Project);
3. Copper and Gold (comprising the Yilgarn Avon Joint venture – Mortlock Project); and
4. Iron Ore (comprising the Mt Forrest and Fred's Bore Project).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

Segment information provided to the directors for the half-year ended 31 December 2014 is as follows:

	Uranium	Gold	Copper & Gold	Iron Ore	Total
Half-Year	\$	\$	\$	\$	\$
31 December 2014					
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	(2,330,566)	-	(897,360)	(2,473,644)	(5,701,570)
31 December 2013					
Total segment revenue	-	-	-	-	-
Intersegment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Reportable segment loss	(1,515,289)	-	(2,418)	(47,791)	(1,565,498)
Total segment assets					
31 December 2014	1,778,879	902,165	-	14,000,000	16,681,044
30 June 2014	4,066,775	902,165	895,756	16,271,315	22,136,011

Reportable segment assets and liabilities are reconciled to total assets and total liabilities as follows:

	31 December 2014 \$	30 June 2014 \$
Segment assets	16,681,044	22,136,011
Intersegment eliminations	-	-
Unallocated		
Cash and cash equivalents	166,612	243,420
Trade and other receivables	101,718	147,720
Prepayments – current	21,085	40,094
Prepayments – non-current	60,000	60,000
Property, plant and equipment	132,670	145,545
Other non-current assets	2,885	2,885
Total assets	17,166,014	22,775,675

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION (continued)

	31 December 2014 \$	30 June 2014 \$
Segment liabilities	-	-
Intersegment eliminations	-	-
Unallocated		
Trade and other payables	312,091	234,713
Borrowings	800,000	800,000
Provisions	-	6,963
Total liabilities	1,112,091	1,041,676

Reconciliation of reportable segment loss to loss before income tax is as follows:

	Half-year 2014 \$	2013 \$
Total loss for reportable segments	(5,701,570)	(1,565,498)
Intersegment eliminations	-	-
Unallocated amounts		
Interest revenue	2,739	29,676
Depreciation and amortisation	(12,875)	(9,544)
Employee benefits expense	(10,794)	(477,558)
Share-based payments	-	(75,882)
Travel costs	(63,308)	(101,088)
Other expenses	(676,087)	(593,361)
Loss before income tax	(6,461,895)	(2,793,255)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2014 \$	30 June 2014 \$
Exploration and evaluation assets	16,681,044	22,136,011

	Half-year 2014 \$	2013 \$
Balance at 1 July	22,136,011	22,982,255
Expenditure incurred	246,603	2,624,957
Depreciation capitalised	-	22,544
Impairment	(5,701,570)	(1,565,498)
Balance at 31 December	16,681,044	24,064,258

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are impaired in the financial period the decision is made. Impairment recognised during the current period relates to:

- writing off the accumulated expenditures in relation to the tenements relinquished during the period (\$3,513,649); and
- a \$2,187,921 impairment against the carrying value of the Mt Forrest Project following Board review of the current economic climate, including the iron ore price.

NOTE 4: BORROWINGS

	31 December 2014 \$	30 June 2014 \$
Non-recourse loans (a)	500,000	500,000
Convertible note (b)	300,000	300,000
	800,000	800,000

(a) Unsecured Non-Recourse Loans

The Company obtained shareholder approval at the Annual General Meeting held on 31 October 2014 to convert the loans into shares. However, the conversion did not occur during the approved timeframe. Subsequent to the reporting date (refer note 11), the Company has renegotiated the loan terms such that the repayment date is 31 March 2016, and shareholder approval for the conversion can be obtained at the Company's 2015 Annual General Meeting.

(b) Convertible Note

The Company obtained shareholder approval at the Annual General Meeting held on 31 October 2014 to convert the note into shares. However, the conversion did not occur during the approved timeframe. Subsequent to the reporting date (refer note 11), the Company has renegotiated the convertible note terms such that the repayment date is 31 March 2016, and shareholder approval for the conversion can be obtained at the Company's 2015 Annual General Meeting.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 5: CHANGES IN EQUITY SECURITIES ON ISSUE

Ordinary Share Capital	2014 Shares	2014 \$	2013 Shares	2013 \$
As at 1 July	259,803,570	40,163,930	252,303,570	39,353,930
Issued during the half-year				
Issued on conversion of convertible note	-	-	5,000,000	600,000
Issued for cash at 8 cents per share	10,000,000	800,000	-	-
Transaction costs	-	(18,181)	-	10,000
As at 31 December	269,803,570	40,945,749	257,303,570	39,963,930

Options	Number of options	
	2014	2013
As at 1 July	10,102,321	8,702,321
Options issued, exercisable at 12 cents, expiring 31 July 2016	10,000,000	-
Options expired on 30 September 2014, exercisable at 60 cents	(1,100,000)	-
Options expired on 30 September 2013, exercisable at 45 cents	-	(1,100,000)
As at 31 December	19,002,321	7,602,321

NOTE 6: CONTINGENCIES

A term deposit of \$124,042 was held as security by the Company's bankers to provide a bank guarantee in support of the lease agreement for the Company's business premises. \$100,000 of this was released at the termination of the lease during the half-year, with the balance held pending finalisation of the termination arrangements.

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

NOTE 7: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTE 8: COMMITMENTS

There have been no significant changes to commitments since the last annual reporting date.

NOTE 9: RELATED PARTY TRANSACTIONS

There have been no significant changes to related party transactions since the last annual reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 10: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2014 or 30 June 2014 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case of short term assets and liabilities, their carrying values approximate fair value.

NOTE 11: EVENTS OCCURRING AFTER REPORTING DATE

On 4 March 2015 the company received the gross proceeds from its Research and Development Grant amounting to \$757,895. The directors have forecast that this cash balance is sufficient to maintain the company on a care and maintenance basis while additional equity funding is sourced.

During March 2015 the Company has renegotiated the terms and conditions of the Convertible Note and Non-Recourse Loans outstanding as at 31 December 2014. The respective agreements have been amended such that the repayment dates are now 31 March 2016, and shareholder approval for conversion into shares can be obtained at the Company's 2015 Annual General Meeting.

No other matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

MINDAX LIMITED
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DIRECTORS' DECLARATION

In the opinion of the directors of Mindax Limited:

1. the financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) 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
2. there are reasonable grounds to believe that the consolidated entity 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 directors and is signed for and on behalf of the directors by:



Benjamin Chow
Executive Chairman
Perth, 16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mindax Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mindax Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other 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 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 Mindax 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 Mindax 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 Mindax 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 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 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 (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 16 March 2015