

# **FYI RESOURCES LIMITED**

ABN 85 061 289 218

## **Interim Financial Report**

31 December 2015

**FYI RESOURCES LIMITED  
31 DECEMBER 2015**

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## **CORPORATE DIRECTORY**

### ***DIRECTORS***

Mr Edmund Babington – Non-Executive Chairman  
David Sargeant – Non-Executive Director  
Adrian Jessup – Non-Executive Director

Mr Roland Hill – Managing Director

### ***COMPANY SECRETARY***

Phillip MacLeod

### ***REGISTERED and PRINCIPAL OFFICE***

53 Canning Highway  
Victoria Park 6100  
Western Australia

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ABN 85 061 289 218

### ***SHARE REGISTRY***

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross 6153  
Western Australia

### ***AUDITOR***

HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth 6000  
Western Australia

### ***SECURITIES EXCHANGE LISTING***

The Company is listed on the Australian Securities  
Exchange Limited. Home Exchange Perth  
ASX Code: Shares FYI

**FYI RESOURCES LIMITED  
DIRECTORS' REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**Directors' Report**

Your directors submit their report on FYI Resources Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Directors**

The directors of the Company at any time during or since the end of the half-year are:

Edmund Babington  
Roland Hill  
David Sargeant  
Adrian Jessup

**Review of Operations and Exploration Activities**

The Group's loss for the half-year ended 31 December 2015 was \$289,887 (2014: \$1,853,273).

During the period the principal activities of the Company consisted of the evaluation of new projects in Asia.

**Dividends**

No dividends have been paid during the period and no dividends have been recommended by the directors.

**Events subsequent to reporting date**

No matter or circumstance has arisen, since the end of the financial half year, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in the subsequent financial half year.

**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 written Auditor's Independence Declaration is set out on page 13 and forms part of this Directors' Report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.



**Roland Hill**  
**Managing Director**  
Perth, 15 March 2016

**FYI RESOURCES LIMITED**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	6 months ended 31/12/15 \$	6 months ended 31/12/14 \$
<b>Continuing Operations</b>		
Other income	2,043	3,186
Exploration expense	(70,755)	(195,309)
Depreciation expense	-	(108)
ASX fees	(16,439)	(14,438)
Share based payments	-	(16,058)
Accounting and audit fees	(31,800)	(32,475)
Other administration expenses	(35,245)	(13,812)
Directors Fees	(131,376)	(60,521)
Share registry expenses	(3,210)	(4,440)
Rent	(4,018)	(11,146)
Legal expenses	-	(1,109)
Impairment of exploration and evaluation expenditure	-	(1,509,804)
<b>Loss before income tax expense</b>	<b>(290,800)</b>	<b>(1,856,034)</b>
Income tax benefit / (expense)	-	-
<b>Net loss for the period</b>	<b>(290,800)</b>	<b>(1,856,034)</b>
<b>Other comprehensive income, net of tax</b>		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences from translation of foreign operations	913	2,761
<b>Other comprehensive income</b>	<b>913</b>	<b>2,761</b>
<b>Total comprehensive loss</b>	<b>(289,887)</b>	<b>(1,853,273)</b>
<b>Loss for the period is attributable to:</b>		
<b>Owners of FYI Resources Ltd</b>	<b>(275,433)</b>	<b>(1,825,131)</b>
<b>Non-controlling interests</b>	<b>(15,367)</b>	<b>(30,903)</b>
	<b>(290,800)</b>	<b>(1,856,034)</b>
<b>Total comprehensive loss for the period is attributable to:</b>		
<b>Owners of FYI Resources Ltd</b>	<b>(274,520)</b>	<b>(1,822,370)</b>
<b>Non-controlling interests</b>	<b>(15,367)</b>	<b>(30,903)</b>
	<b>(289,887)</b>	<b>(1,853,273)</b>
<b>Basic and diluted loss per share (cents per share)</b>	<b>(0.39)</b>	<b>(2.79)</b>

*The accompanying notes form part of these financial statements.*

**FYI RESOURCES LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	Consolidated	
		31/12/2015 \$	30/06/2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		983,576	25,709
Trade and other receivables		124,088	108,798
Assets held for sale		-	1,000,000
<b>Total Current Assets</b>		<b>1,107,664</b>	<b>1,134,507</b>
<b>TOTAL ASSETS</b>		<b>1,107,664</b>	<b>1,134,507</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		484,572	584,155
<b>Total Current Liabilities</b>		<b>484,572</b>	<b>584,155</b>
<b>TOTAL LIABILITIES</b>		<b>484,572</b>	<b>584,155</b>
<b>NET ASSETS</b>		<b>623,092</b>	<b>550,352</b>
<b>EQUITY</b>			
Issued capital	7	28,863,670	28,501,043
Reserves		1,340,518	1,760,834
Accumulated losses		(29,490,710)	(29,636,506)
Equity attributable to owners of the parent		713,478	625,371
Non-controlling interests		(90,386)	(75,019)
<b>TOTAL EQUITY</b>		<b>623,092</b>	<b>550,352</b>

*The accompanying notes form part of these financial statements.*

**FYI RESOURCES LIMITED**

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated							Total
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Option Premium Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Non- controlling interests	
	\$	\$	\$	\$	\$	\$	\$	
<b>Balance at 1 July 2014</b>	28,226,459	(27,875,436)	481,427	834,677	421,229	-	(21,767)	2,066,589
Loss for the period	-	(1,825,131)	-	-	-	-	(30,903)	(1,856,034)
Other comprehensive income	-	-	-	-	-	2,761	-	2,761
Total comprehensive loss for the period	-	(1,825,131)	-	-	-	2,761	(30,903)	(1,853,273)
Equity transactions:								
Shares issued net of transactions costs	304,671	-	-	-	-	-	-	304,671
Share based payments	-	-	16,058	-	-	-	-	16,058
<b>Balance at 31 December 2014</b>	<b>28,531,130</b>	<b>(29,700,567)</b>	<b>497,485</b>	<b>834,677</b>	<b>421,229</b>	<b>2,761</b>	<b>(52,670)</b>	<b>534,045</b>
<b>Balance at 1 July 2015</b>	<b>28,501,043</b>	<b>(29,636,506)</b>	<b>497,485</b>	<b>834,677</b>	<b>421,229</b>	<b>7,443</b>	<b>(75,019)</b>	<b>550,352</b>
Loss for the period	-	(275,433)	-	-	-	-	(15,367)	(290,800)
Other comprehensive income	-	-	-	-	-	913	-	913
Total comprehensive loss for the period	-	(275,433)	-	-	-	913	(15,367)	(289,887)
Equity transactions:								
Shares issued net of transactions costs	362,627	-	-	-	-	-	-	362,627
Transfer of revaluation surplus on disposal of the investment property	-	421,229	-	-	(421,229)	-	-	-
<b>Balance at 31 December 2015</b>	<b>28,863,670</b>	<b>(29,490,710)</b>	<b>497,485</b>	<b>834,677</b>	<b>-</b>	<b>8,356</b>	<b>(90,386)</b>	<b>623,092</b>

*The accompanying notes form part of these financial statements.*

**FYI RESOURCES LIMITED**

**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	6 months ended 31/12/15 \$	6 months ended 31/12/14 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	1,800
Payments to suppliers and employees	<b>(75,009)</b>	(75,421)
Payments for exploration and evaluation	<b>(155,044)</b>	(115,861)
Interest received	<b>2,043</b>	1,386
<b>Net cash outflow from operating activities</b>	<b>(228,010)</b>	(188,096)
<b>Cash flows from investing activities</b>		
Proceeds from sale of assets	<b>1,000,000</b>	-
<b>Net cash inflow from investing activities</b>	<b>1,000,000</b>	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<b>200,000</b>	245,000
Share issue costs	<b>(14,123)</b>	(34,573)
<b>Net cash inflow from financing activities</b>	<b>185,877</b>	210,427
Net Increase in cash held	<b>957,867</b>	22,331
Cash at the beginning of the financial year	<b>25,709</b>	133,995
<b>Cash at the end of the period</b>	<b>983,576</b>	156,326

*The accompanying notes form part of these financial statements.*



## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

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#### 1. Statement of Significant Accounting Policies

##### Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian 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 Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 (which is available upon request from the Company's registered office at 53 Canning Highway, Western Australia 6100 or at [www.fyiresources.com.au](http://www.fyiresources.com.au)) and any public announcements made by FYI Resources Ltd 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 except for investment property which has been measured at fair value. 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.

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

##### Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

##### Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, 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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2015.

## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

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#### 1. Statement of Significant Accounting Policies (continued)

##### Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

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 necessary to Group accounting policies.

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. 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 necessary to Group accounting policies.

##### Going Concern

As disclosed in the Statement of Comprehensive Income, the Group recorded operating losses of \$290,800 (2014: \$1,856,034) and as disclosed in the Statement of Cash Flows, the Group recorded cash outflows from operating activities of \$228,010 (2014: \$188,096), cash inflows from investing activities \$1,000,000 (2014: \$Nil) and cash inflows financing activities of \$185,877 (2014:\$210,427). After consideration of these financial conditions, the Directors have assessed the following matters in relation to the adoption of the going concern basis of accounting by the Group:

- The Group has the ability to complete capital raisings on a timely basis, pursuant to the Corporations Act 2001, and have budgeted capital raisings to occur in the twelve month period from the date of the half-year report.
- The Group has a working capital surplus of \$623,092 (30/6/15 \$550,352) at balance date and retains the ability to scale down its operations to conserve cash in the event that the capital raisings are delayed or reduced. Included in current trade and other payables is \$309,092 owing to Directors for fees. They have agreed to defer payment until the company has secured suitable funding.
- The Group has the ability, if required, to undertake mergers, acquisitions or restructuring activities or to wholly or in part, dispose of interests in property, mineral exploration and development assets; and

Due to the above matters, the Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate that this basis of accounting be adopted in the preparation of the half-year report. The directors also anticipate that a further equity raising will be required and will be completed in 2016. Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to realise its assets and extinguish its liabilities in the normal course of business.

## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

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#### 2. Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of FYI Resources Ltd.

The Group operates only in one business and one geographical segment being mineral exploration and evaluation of properties in Asia. The Company considers its business operations in mineral exploration to be its primary reporting function.

#### 3. Dividends

No dividends were paid or declared payable during or since the half-year.

#### 4. Contingent Liabilities

There has been no change in contingent liabilities of the Group since the last annual reporting date.

#### 5. Events Subsequent to Reporting Date

There has not been any matter or circumstance not otherwise dealt with in the half-year report that has significantly affected or may significantly affect the Group.

#### 6. Financial Instruments

The fair value of financial assets and liabilities at balance date, approximates their carrying amount.

#### 7. Issued capital

##### (a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Consolidated	
	31/12/2015	30/06/2015
	\$	\$
81,467,785 (30 June 2015: 69,751,118) fully paid ordinary shares	<b>28,863,670</b>	28,501,043

**FYI RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 December 2015**

**7. Issued capital (continued)**

	Consolidated	
	31/12/2015 No.	30/06/2015 No.
<b>(i) Ordinary shares - number</b>		
At start of period	<b>69,751,118</b>	63,311,118
4,900,000 shares issued at 5 cents per share on 29 September 2014	-	4,900,000
1,540,000 shares issued at 5 cents per share on 29 September 2014	-	1,540,000
6,666,667 shares issued at 3 cents per share on 12 August 2015	<b>6,666,667</b>	-
3,571,429 shares issued at 3.5 cents per share on 22 December 2015	<b>3,571,429</b>	-
428,571 shares issued at 3.5 cents per share on 22 December 2015	<b>428,571</b>	-
525,000 shares issued at 3.5 cents per share on 22 December 2015	<b>525,000</b>	-
525,000 shares issued at 3.5 cents per share on 22 December 2015	<b>525,000</b>	-
<b>Balance at end of period</b>	<b>81,467,785</b>	<b>69,751,118</b>

	Consolidated	
	31/12/2015 \$	30/06/2015 \$
<b>(ii) Ordinary shares – value</b>		
At start of period	<b>28,501,043</b>	28,226,459
4,900,000 shares issued at 5 cents per share on 29 September 2014	-	245,000
1,540,000 shares issued at 5 cents per share on 29 September 2014	-	77,000
6,666,667 shares issued at 3 cents per share on 12 August 2015	<b>200,000</b>	-
3,571,429 shares issued at 3.5 cents per share on 22 December 2015	<b>125,000</b>	-
428,571 shares issued at 3.5 cents per share on 22 December 2015	<b>15,000</b>	-
525,000 shares issued at 3.5 cents per share on 22 December 2015	<b>18,375</b>	-
525,000 shares issued at 3.5 cents per share on 22 December 2015	<b>18,375</b>	-
Costs of shares issued	<b>(14,123)</b>	(47,416)
<b>Balance at end of period</b>	<b>28,863,670</b>	<b>28,501,043</b>

On 22 December 2015, the Company issued 5,050,000 shares at 3.5 cents to Directors in lieu of \$176,750 of Directors Fees.

**(b) Options**

As at 31 December 2015 the Company had the following options on issue over ordinary shares:

**FYI RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 December 2015**

**7. Issued capital (continued)**

	Consolidated	
	31/12/2015 No.	30/06/2015 No.
<b>Options - number</b>		
At start of period	2,250,000	-
Issue of options 3 October 2014	-	2,250,000
<b>Balance at end of period</b>	<b>2,250,000</b>	<b>2,250,000</b>

Option details at 31 December 2015 -  
2,250,000 exercisable at \$0.08 on 22 September 2016

**8. Related Party Disclosure**

The consolidated financial statements include the financial statements of FYI Resources Ltd and the subsidiaries listed in the following table.

Controlled entities	Country of incorporation	Percentage Owned	
		31/12/2015 %	30/06/2015 %
Parent Entity:			
FYI Resources Ltd	Australia		
Subsidiaries of FYI Resources Ltd:			
FYI Thailand Pty Ltd <i>which owns</i>	Australia	<b>100</b>	100
West Mekong Minerals Ltd	Thailand	<b>49</b>	49
East Siam Minerals Ltd	Thailand	<b>49</b>	49

The Company finances the operations of FYI Thailand Pty Ltd and thus it will have unsecured borrowings from the Company that are interest free and at call. The ability for this controlled entity to repay debts will be dependent on the commercialisation of the mineral properties owned by the subsidiary.

FYI Thailand Pty Ltd has control over West Mekong Minerals Ltd as it holds 100% of the preferred shares (Class A) giving them 82.7% of the voting rights.

FYI Thailand Pty Ltd has control over East Siam Minerals Ltd as it holds 100% of the preferred shares (Class A) giving them 82.7% of the voting rights.

	Company	
	31/12/2015 \$	30/06/2015 \$
Amounts owed by / (to) Related Parties		
Subsidiaries		
FYI Thailand Pty Ltd	457,378	404,249
West Mekong Minerals Ltd	-	-
East Siam Minerals Ltd	-	-
	<b>457,378</b>	<b>404,249</b>

Arrangements with Directors continue to be in place. For details on these arrangements, refer to the 30 June 2015 annual financial report.

## FYI RESOURCES LIMITED

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### DIRECTORS' DECLARATION

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In the opinion of the Directors of FYI Resources Limited ("Company"):

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:

(a) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Group's financial position as at 31 December 2015 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 made in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



**Roland Hill**  
**Director**

Perth, 15 March 2016

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of FYI Resources Limited for the half-year ended 31 December 2015, 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  
15 March 2016



**D I Buckley**  
Partner

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of FYI Resources Limited

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

We have reviewed the accompanying half-year financial report of FYI Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, 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 notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year 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 Group'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 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 FYI Resources Limited is not in accordance with the *Corporations Act 2001* including:

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

*Emphasis of Matter*

Without qualifying our conclusion, we draw attention to Note 1 to the half-year financial report which outlines conditions that indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.



**HLB Mann Judd**  
Chartered Accountants



**D I Buckley**  
Partner

**Perth, Western Australia**  
**15 March 2016**