

# Interim Financial Report

For the half-year ended 31 December 2014



**Minbos**  
Resources  
Limited

ABN 93 141 175 493

## Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	11
Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Financial Statements	16
Directors' Declaration	25
Independent Auditor's Review Report	26

## Corporate Directory

### **Directors & Officers**

Mr Peter Wall - Non-Executive Chairman  
Mr Damian Black - Executive Director  
Mr Domingos Catulich - Non-Executive Director  
Mr William Oliver - Non-Executive Director

Mr Lindsay Reed - Chief Executive Officer  
Mr Stef Weber - Chief Financial Officer & Company Secretary

### **Registered Office**

Suite 1, 245 Churchill Avenue  
Subiaco WA 6008

T: +61 (08) 6270 4610  
F: +61 (08) 6270 4614  
E-mail: [info@minbos.com](mailto:info@minbos.com)  
Website: [www.minbos.com](http://www.minbos.com)

### **Principal Place of Business**

Suite 1, 245 Churchill Avenue  
Subiaco WA 6008

PO Box 162  
Subiaco WA 6904

### **Domicile and Country of Incorporation**

Australia

### **Australian Company Number**

ACN 141 175 493

### **Australian Business Number**

ABN 93 141 175 493

### **Bankers**

National Australia Bank  
Fremantle Business Banking Centre  
Level 1, 88 High Street  
Fremantle WA 6160  
Website: [www.nab.com.au](http://www.nab.com.au)

### **Auditors**

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008  
Website: [www.bdo.com.au](http://www.bdo.com.au)

### **Share Registry**

Automic Registry Services  
Level 1, 7 Ventnor Avenue  
West Perth WA 6005  
Website: [www.automic.com.au](http://www.automic.com.au)

### **Solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Miligan street  
Perth WA 6000  
Website: [www.steinpag.com.au](http://www.steinpag.com.au)

### **Public Relations**

Professional Public Relations (PPR)  
588 Hay Street  
Subiaco WA 6008  
Website: [www.ppr.com.au](http://www.ppr.com.au)

### **Securities Exchange**

Australian Securities Exchange Limited (ASX)  
Home Exchange - Perth  
ASX Code - MNB (Ordinary Shares)

## Directors' Report

The Directors submit their half year report of the '**Consolidated Entity**' or '**Group**', being Minbos Resources Limited ('**Minbos**' or '**Company**') and its Controlled entities, for the half year ended 31 December 2014 ('**Period**').

### 1. BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the Period are as follows.

Directors	Position	Appointment
Peter Wall	Non-Executive Chairman	21/02/2014
Damian Black	Executive Director	21/02/2014
Domingos Catulichi	Non-Executive Director	20/07/2010
William Oliver	Non-Executive Director	02/09/2013

### 2. CHIEF EXECUTIVE OFFICER

On 1 September 2014 the Company appointed Lindsay Reed as Chief Executive Officer ('**CEO**').

### 3. CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

On 10 November 2014 the Company appointed Stef Weber as Chief Financial Officer ('**CFO**') and Company Secretary, following the resignation of Paige Exley as Company Secretary.

### 4. REVIEW OF OPERATIONS

#### (a) GROUP OVERVIEW

Minbos is an exploration and development company focused on phosphate deposits within the Cabinda Province of Angola and the adjoining areas of the far western DRC. Through its subsidiaries and joint ventures, Minbos is focussing on the development of the high grade Cacata project in Cabinda whilst growing its current resource base in incremental stages on the remaining deposits in Angola.

The Company's strategy is to specifically target the exploration and development of low cost fertiliser-based commodities in order to tap into the growing global demand for fertilisers. Phosphate is an essential component in certain agricultural fertilisers, with the market supported by the increasing global demand for food and bio-fuel products.

#### (b) HIGHLIGHTS

The highlights during and subsequent to the end of the half year include:

**Cabinda Project** – In December 2014 Minbos and its 50% Joint Venture Partner Petril Projects (Petril) executed agreements with the Angolan Ministry of Geology and Mines (**MGM**) for new licences on the Cabinda project. These new licences, one for the Cacata deposit and one for the remainder of the Cabinda project deposits will replace the previous exploration permit (006/06/01L.P/GOV.ANG.MGM/2010) on the Cabinda project. Minbos expects that these licences will be issued within the next month.

**Agreements with strategic Angolan partner** - Minbos concluded agreements with Sociedade de Fosfatos de Angola (**Sofosa**) to advance and progress the Cabinda project. Sofosa will provide support and services on the Cabinda project and can earn a significant equity stake in Minbos following satisfaction of performance milestones.

## Directors' Report

**Capital placements** - In the September quarter the company successfully raised \$1.6 million before cost pursuant to a rights issue and rights issue shortfall by respectively issuing 104,786,468 and 447,119,610 fully paid ordinary shares.

**Key appointments** - During the half year the Company strengthened its Management and Executive Team through the appointment of a new CEO, Mr Lindsay Reed, and a new CFO and Company Secretary Mr Stef Weber. Mr Reed is an accomplished mining executive with more than 30 years' experience in senior management roles in Australia and overseas. Mr Weber has nearly 20 years' experience in the Mining Industry in senior financial roles.

**Repayment or conversion of all convertible debt securities** - During the 6 months ended 31 December 2014 the company repaid or converted all remaining convertible debt securities. At the date of this report the Company has no debt or debt arrangements in place, other than creditors on normal trading terms.

### (c) PROJECTS

Minbos holds a significant concession area of circa 400,000 ha in the Congo Basin running from Cabinda, Angola to Western DRC. Minbos's key project in Africa is the high value Cabinda phosphate project which is a resource of 391 MT@ 9.2% P<sub>2</sub>O<sub>5</sub> being a mixture of high and low grade tonnage and with substantial exploration upside. Minbos's other projects include the:

- Kanzi phosphate project in the Western DRC in which Minbos holds a 49% interest and which it is actively trying to sell; and
- Western Australia Phosphate (100% interest) – Two mining tenements prospective for phosphate.

### ➤ RESOURCES

Minbos has delineated a substantial resource of 449.8Mt @ 9.8% P<sub>2</sub>O<sub>5</sub>. Within this resource, two high grade projects have been identified at the Cacata and Kanzi Deposits. A summary of JORC resources is shown in **Table 1** below.

**Table 1: JORC Resources**

Deposit	Category	Tonnes (Mt)	Grade (% P <sub>2</sub> O <sub>5</sub> )	Cut-Off (% P <sub>2</sub> O <sub>5</sub> )
<b>Cabinda, Angola</b>				
Cacata	Measured	5.0	23.0	5.0
	Indicated	10.2	25.3	5.0
	Inferred	11.8	8.8	5.0
Mongo Tando	Indicated	24.8	11.5	5.0
	Inferred	184.0	8.0	5.0
Chivovo	Indicated	6.5	20.5	5.0
Chibuate	Inferred	149.0	8.3	5.0
<b>Total</b>		<b>391.3</b>	<b>9.2</b>	<b>5.0</b>
<b>Kanzi, DRC</b>				
Kanzi	Indicated	58.5	14.2	5.0
<b>Grand Total</b>		<b>449.8</b>	<b>9.9</b>	<b>5.0</b>

## Directors' Report

### ➤ CABINDA PROJECT

#### Overview

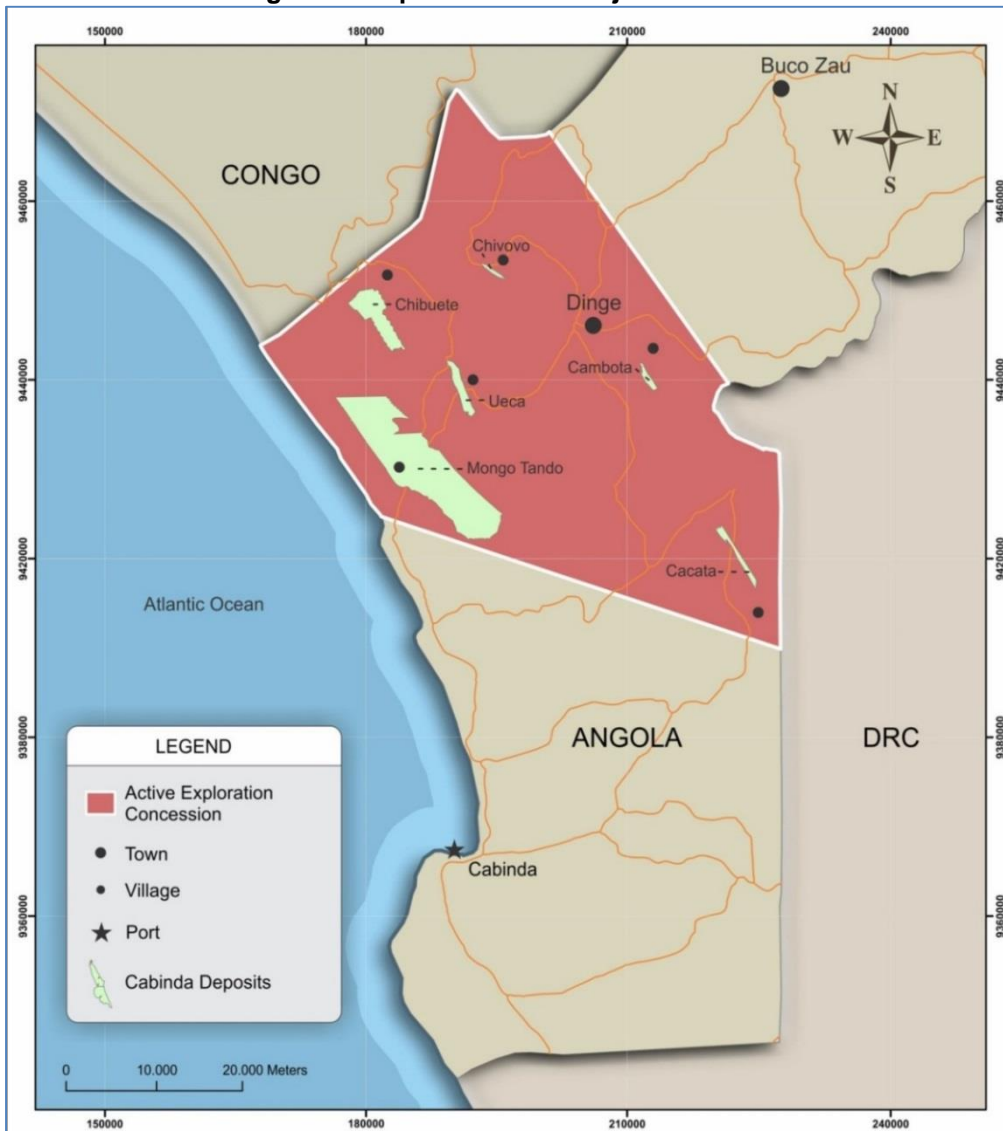
The Cabinda licence area covers an area of approximately 200,000 ha and all the known and historically explored phosphate Prospects in Cabinda, Angola. In December 2014 Minbos and its 50% Joint Venture Partner Petril executed agreements with the MGM for new licences on the Cabinda project. These new licences one for the Cacata deposit and one for the remainder of the Cabinda project deposits will replace the previous exploration permit (006/06/01L.P/GOV.ANG.MGM.201) on the Cabinda deposit

The two licences will be issued for five years (renewable for a further two years). The signed contracts with MGM covers not only prospecting rights but also the mining phase of the Cabinda project. On completion of the Environmental Impact and Economic Viability Study the issue of a mining licence can be requested. The mining licence will be valid for thirty five years, renewable for successive periods of ten years.

In addition to the Cacata deposit the Cabinda licence area contains five additional exploration projects: Mongo Tando, Chibuele, Ueca, Cacata, Chivovo and Cambota (as shown in Figure 1 below).

Once the new licences are issued the Company will focus on recommencing exploration and feasibility studies on the Cabinda project.

Figure 1: Map of Cabinda Project Licences



## Directors' Report

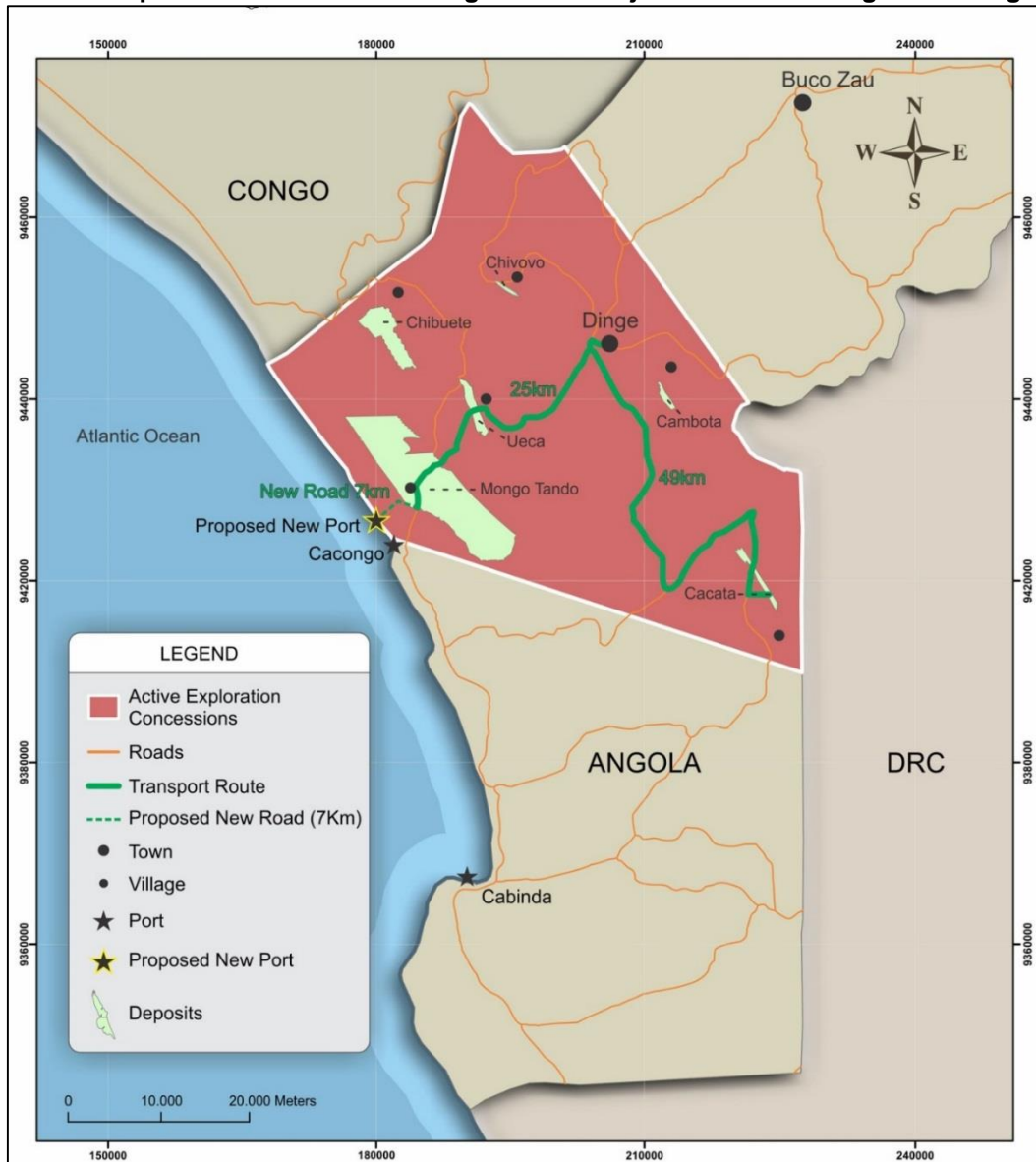
### Cacata deposit

The Cacata deposit has a Measured Mineral Resource of 5.0Mt @ 23% P<sub>2</sub>O<sub>5</sub> and an Indicated Mineral Resource of 10.2Mt @ 25.3% P<sub>2</sub>O<sub>5</sub>. The high grade nature of the deposit and its excellent location (close proximity to infrastructure and the coast) meant that it became the focus of a near term development project for Minbos.

### Port facilities

The proposed new Caio Deep Water port is approximately 70 km by road from Cacata (refer Figure 2 below) Access to a deep water port could significantly reduce capital cost on the Cacata high grade project.

Figure 2: Transport Route from Cacata High Grade Project to New Loading Site Change Map



### ➤ DRC –KANZI PROJECT

The Kanzi project in the DRC exploration licences and applications cover an area of approximately 200,000 hectares. Minbos will continue its efforts to sell its interest in the Kanzi project. Minimum expenditure will be incurred on this project until it is sold.



## Directors' Report

### Competent Person's Statement Ms Kathleen Body

The information in this announcement that relates to the Exploration Results and Phosphate Resources, Production Targets and Cost Estimation was extracted from Minbos's ASX announcement dated 16 October 2013 and 5 December 2013 respectively entitled "Minbos announces resource upgrade for the Cabinda licenses in Angola" and "Cabinda Resource Additional Information" and the Minbos Annual Report for the year ended 30 June 2014 which are available to view on the Company's website at [www.minbos.com](http://www.minbos.com).

The information in the original ASX announcements and the Annual Report that related to Exploration Results and Phosphate Resources is based on information compiled or reviewed by and approved for release by Ms Kathleen Body, Pr.Sci.Nat, who has over 19 years of experience in mineral exploration and mineral resource estimation. Ms Body is a Principal Consultant and full-time employee of Coffey Mining (South Africa) (Pty) Ltd and contracted to Minbos. She has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2012 Edition). Ms Body has consented to inclusion of this information in the form and context in which it appears.

Minbos confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; and 30 June 2014 Annual Report b) all material assumptions and technical parameters underpinning the Phosphate Resource, Production Target and related financial information derived from the Production Target included in the ASX announcements and 30 June 2014 Annual Report continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original ASX announcements and 30 June 2014 Annual Report.

## 5. FINANCIAL RESULTS

The financial results of the Group for the half year ended 31 December 2014 are:

	31-Dec-14	30-Jun-14	% Change
Cash and cash equivalents (\$)	147,077	30,727	379%
Net assets (\$)	13,043,086	9,339,092	40%

	31-Dec-14	31-Dec-13	% Change
Revenue (\$)	1,692	1,633	4%
Net loss after tax (\$)	(981,547)	(1,188,490)	(17%)
Loss per share (\$)	(0.001)	(0.008)	(86%)
Dividend (\$)	-	-	-

## 6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

**Capital placements / rights issue** - On 28 July 2014, the Company announced the closure of its entitlement offer after receiving applications to subscribe for 104,786,468 new shares from eligible shareholders under the Offer to raise approximately \$314,359.

On 3 September 2014, the Company successfully placed of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at \$0.003 per share to raise approximately \$1,341,359.

**Key appointments** - On 1 September 2014, the Company appointed highly experienced mining company executive Mr Lindsay Reed as Chief Executive Officer of the Company.

On 10 November 2014 the Company appointed experienced finance professional Stef Weber as Chief Financial Officer and Company Secretary, following the resignation of Ms Paige Exley as Company Secretary.



## Directors' Report

**Repayment or conversion of all convertible debt securities** - At 30 June 2014 the Company had \$1,250,000 of debt, all of which was repaid or converted to securities during the period, refer table below:

BORROWINGS	Date	Total Debt	Cash Repayment	Share Repayment
<b>Balance at the beginning of the period</b>	<b>30/06/2014</b>	<b>\$1,250,000</b>	-	-
CPS Convertible Note (i)	25/08/2014	(\$300,000)	-	(\$300,000)
Carter Convertible Note (ii)	8/09/2014	(\$250,000)	(\$250,000)	-
Convertible Security (iii)	6/10/2014	(\$200,000)	(\$100,000)	(\$100,000)
CPS Convertible Note (iii)	6/10/2014	(\$250,000)	-	(\$250,000)
Reeves Convertible Note (iv)	9/10/2014	(\$250,000)	-	(\$250,000)
<b>Balance at the end of the period</b>	<b>31/12/2014</b>	-	<b>(\$350,000)</b>	<b>(\$900,000)</b>

- (i) On 25 August 2014, the Company issued 100,000,000 shares at \$0.003 and 100,000,000 options exercisable at \$0.01 per share, expiry 30 December 2016, on conversion of \$300,000 of an \$800,000 convertible note facility pursuant to convertible note trust deed dated 27 August 2013.
- (ii) On 8 September 2014, the Company fully repaid the principal debt of \$250,000 on the Carter convertible note facility.
- (iii) On 6 October 2014, the Company repaid \$100,000 of the \$200,000 convertible security which was assigned to sophisticated investors in March 2014. Pursuant to the assignment arrangement the sophisticated investors also received a payment of \$20,000 in lieu of interest and 10 million unlisted options exercisable at \$0.01, expiring 30 December 2016. In order to conserve the Company's funds the Convertible Security holders agreed to convert the remaining amount of \$100,000 of the Convertible Security to fully paid ordinary shares in the Company at \$0.003 per share for which the Company issued 33,333,333 shares.

The Company received conversion notices for the remaining 10 convertible notes in relation to the Convertible Note facility established 27 August 2013. Accordingly the Company has converted convertible notes with a face value of \$250,000 to fully paid ordinary shares in the Company at \$0.003 for the issue of 83,333,332 shares and 83,333,333 unlisted options exercisable at \$0.01, expiring 30 December 2016.

- (iv) On 9 October 2014, the Company repaid the Reeves Convertible Note for the amount of \$250,000 and outstanding convertible note interest totalling \$10,110 through the issue of 86,703,200 fully paid ordinary shares in the Company at \$0.003 per share.

**Renewal of licences** - On 12 December 2014 the Company and its 50% Joint Venture Partner Petril Projects executed agreements with the MGM for new licences on the Cabinda phosphate project in Angola. The new licences will be issued for five years (renewable for a further two years) and also covers the mining phase of the Cabinda project.

## Directors' Report

### 7. SUBSEQUENT EVENTS

On 30 January 2015 the Company entered into binding agreements with Sofosa in relation to the Cabinda project. Sofosa is a company incorporated in Angola and of which Minbos's director Mr Domingos Catulitchi is a shareholder and director. Sofosa will provide support and services on the Cabinda project for a payment of USD 15,000 per month retrospective from 1 July 2014. In addition Sofosa will be issued, (subject to Minbos shareholder approval) with two separate classes of performance rights that can convert up to a total of 237.8 million fully paid shares in Minbos.

There have not been any significant events, other than those stated above, that have arisen since 31 December 2014 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

### 8. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on page 11 to these half year financial statements.

Signed in accordance with a resolution of the Board of Directors.



Peter Wall  
Non-Executive Chairman  
Perth, 11 March 2015

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MINBOS RESOURCES LIMITED

As lead auditor for the review of Minbos Resources 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 Minbos Resources Limited and the entities it controlled during the period.



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, 11 March 2015

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-14 \$	31-Dec-13 \$
Revenue from continuing operations		1,692	1,633
Administration expenses		(193,495)	(430,916)
Depreciation expense		(19,574)	(18,002)
Finance costs	4	(389,036)	(92,807)
Foreign exchange loss		(30)	(511)
Impairment of exploration and evaluation expenditure	6	(41,133)	(115,925)
Loss from sale of plant and equipment		(10,424)	(18,961)
Personnel expenses		(227,809)	(264,144)
Share-based payments		(38,696)	(126,017)
Share of net loss from associate	5	(63,042)	(122,840)
<b>Loss from continuing operations before income tax</b>		<b>(981,547)</b>	<b>(1,188,490)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(981,547)</b>	<b>(1,188,490)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,773,023	297,340
<b>Other comprehensive income for the period, net of tax</b>		<b>1,773,023</b>	<b>297,340</b>
<b>Total comprehensive profit / (loss) for the period</b>		<b>791,476</b>	<b>(891,150)</b>
<b>Loss for the period is attributable to the owners of Minbos Resources Limited</b>		<b>(981,547)</b>	<b>(1,188,490)</b>
<b>Total comprehensive profit / (loss) for the period is attributable to the owners of Minbos Resources Limited</b>		<b>791,476</b>	<b>(891,150)</b>
<b>Loss per share attributable to ordinary equity holders</b>			
- Basic loss per share		(0.001)	(0.008)
- Diluted loss per share		(0.001)	(0.008)

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

## Consolidated Statement of Financial Position

	Notes	31-Dec-14	30-Jun-14
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		147,077	30,727
Trade and other receivables		51,131	13,653
<b>Total current assets</b>		<b>198,208</b>	<b>44,380</b>
<b>Non-current assets</b>			
Plant and equipment		22,540	44,456
Investment in associate	5	12,344,606	10,645,238
Exploration and evaluation expenditure	6	111,927	49,575
Other financial assets	7	4,495,532	4,436,645
<b>Total non-current assets</b>		<b>16,974,605</b>	<b>15,175,914</b>
<b>Total assets</b>		<b>17,172,813</b>	<b>15,220,294</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		183,040	586,963
Provisions		11,050	28,602
Borrowings	8	-	1,250,000
Share placement liability		-	80,000
<b>Total current liabilities</b>		<b>194,090</b>	<b>1,945,565</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,935,637	3,935,637
<b>Total non-current liabilities</b>		<b>3,935,637</b>	<b>3,935,637</b>
<b>Total liabilities</b>		<b>4,129,727</b>	<b>5,881,202</b>
<b>Net assets</b>		<b>13,043,086</b>	<b>9,339,092</b>
<b>EQUITY</b>			
Issued capital	10	28,681,538	26,172,620
Reserves	11	5,179,970	3,003,347
Accumulated losses		(20,818,422)	(19,836,875)
<b>Total equity</b>		<b>13,043,086</b>	<b>9,339,092</b>

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



## Consolidated Statement of Cash Flows

	31-Dec-14	31-Dec-13
	\$	\$
<b>Cash flows from operating activities</b>		
Payment to suppliers and employees	(714,429)	(531,879)
Interest received	1,692	1,633
Interest paid	(57,917)	(30,883)
<b>Net cash outflow from operating activities</b>	<b>(770,654)</b>	<b>(561,129)</b>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of plant and equipment	-	41,687
Payment for exploration and evaluation expenditure	(83,952)	(139,057)
<b>Net cash outflow from investing activities</b>	<b>(83,952)</b>	<b>(97,370)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares, net of costs	1,387,221	(5,197)
Loan to associate	(68,465)	(164,384)
Proceeds from convertible note facility, net of costs	-	854,500
Repayment of convertible note facility	(350,000)	-
<b>Net cash inflow from financing activities</b>	<b>968,756</b>	<b>684,919</b>
<b>Net increase in cash and cash equivalents</b>	<b>114,150</b>	<b>26,420</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>30,727</b>	<b>53,685</b>
Effect of exchange rate fluctuations on cash held	2,200	(473)
<b>Cash and cash equivalents at the end of the period</b>	<b>147,077</b>	<b>79,632</b>

*The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*



## Notes to the Consolidated Financial Statements

### 1. REPORTING ENTITY

Minbos Resources Limited (referred to as '**Minbos**' or the '**Company**' or '**Parent Entity**') is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of this report. The consolidated financial statements of the Company as at and for the half year ended 31 December 2014 (the '**Period**') comprise the Company and its subsidiaries (together referred to as the '**Consolidated Entity**' or the '**Group**'). The Group is primarily involved in phosphate exploration in Africa.

The financial report of Minbos Resources Limited for the Period was authorised for issue in accordance with a resolution of the directors on 11 March 2015.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### Basis of compliance

This interim general purpose financial report for the half year reporting period ended 31 December 2014 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report. Accordingly this half year financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

#### Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

##### (a) Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

##### (b) Accounting policies

The accounting policies and methods of computation adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2014.

##### (c) 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 period the Consolidated Entity incurred a net loss after income tax for the half year of \$981,547 and incurred net cash outflows from operating and investing activities of \$854,606.

## Notes to the Consolidated Financial Statements

The ability of the Consolidated Entity to continue as a going concern is dependent on the Consolidated Entity being able to raise additional funds as required to fund ongoing exploration commitments and for working capital. However should the Company be unsuccessful in undertaking additional raisings the Company may not be able to meet its financial obligations. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

### (d) Impact of standards issued but not yet applied by the entity

Other than AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle there were no new standards issued since 30 June 2014 that have not been applied by Minbos Resources Limited.

The 30 June 2014 annual report disclosed that Minbos Resources Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of these standards issued but not yet applied, and this remains the assessment as at 31 December 2014.

### 3. SEGMENT INFORMATION

The Group operates only in one reportable segment being predominately in the area of phosphate mineral exploration in the DRC and Angola, within Africa. The Board considers its business operations in phosphate mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently revenue, profit, net assets and total assets for the operating segment are reflected in the primary statements forming this financial report.

### 4. EXPENSES

	<u>31-Dec-14</u>	<u>31-Dec-13</u>
	\$	\$
<b>Finance costs</b>		
Fair value movement on convertible notes at fair value through profit or loss (i)	<b>364,904</b>	-
Establishment fees on convertible notes	-	45,500
Interest expense on convertible notes	<b>22,300</b>	30,883
Other	<b>1,832</b>	16,424
	<b><u>389,036</u></b>	<b><u>92,807</u></b>

- (i) The fair value movement on the convertible notes have been valued internally by the Company by adopting a Black-Scholes option pricing model. The model inputs are shown in Note 8.

## Notes to the Consolidated Financial Statements

### 5. INVESTMENT IN ASSOCIATE

As part of the acquisition of Tunan Mining Limited in the 2011 financial year, Minbos acquired a 50% interest in Mongo Tando Limited, a company incorporated in the British Virgin Isles. By virtue of holding less than 50% of the voting rights the entity has been accounted for as an investment in an associate.

	<u>31-Dec-14</u>	<u>30-Jun-14</u>
	\$	\$
<b>Carrying amount of the investment in associate</b>	<b>12,344,606</b>	10,645,238
<b><u>Movement reconciliation</u></b>		
<b>Balance at the beginning of the period</b>	<b>10,645,238</b>	11,128,980
Exchange differences	1,762,410	(350,440)
Share of net loss in associate	<b>(63,042)</b>	(133,302)
<b>Balance at the end of the period</b>	<b>12,344,606</b>	10,645,238

In December 2014 Minbos and its 50% Joint Venture Partner Petril Projects (Petril) executed agreements with the Angolan Ministry of Geology and Mines (**MGM**) for new licences on the Cabinda project. These new licences, one for the Cacata deposit and one for the remainder of the Cabinda project deposits will replace the previous exploration permit (006/06/01L.P/GOV.ANG.MGM/2010) on the Cabinda project and will be held by Mongo Tando Lda.

As at the date of this report the renewal of the licenses remain outstanding and will be issued once the title fees have been determined by MGM and following payment. The Board has no reason to believe the permit will not be issued following the payment of the above fees. However, in the unlikely event that the licences are not renewed, Minbos may not be able to realise the investment in associate and loan to associate (Note 7) at amounts stated in this report.

### 6. EXPLORATION AND EVALUATION EXPENDITURE

	<u>31-Dec-14</u>	<u>30-Jun-14</u>
	\$	\$
<b>Carrying amount of exploration and evaluation expenditure</b>	<b>111,927</b>	49,575
<b><u>Movement reconciliation</u></b>		
<b>Balance at the beginning of the period</b>	<b>49,575</b>	-
Acquisition (i)	-	33,628
Additions	<b>103,485</b>	142,275
Impairment of exploration and evaluation expenditure (ii)	<b>(41,133)</b>	(126,328)
<b>Balance at the end of the period</b>	<b>111,927</b>	49,575

- (i) In the previous period, the Company acquired two tenements in the Carnarvon Shire for cash consideration of \$5,000 and share consideration of 2 million shares with a deemed value of \$28,000.
- (ii) At 31 December 2014, Allamanda continued to hold the Kanzi Joint Venture licences, accordingly the Group has impaired the exploration expenditure incurred during the period until the licences are transferred to the Joint Venture entity, Phosphalux SPRL.

## Notes to the Consolidated Financial Statements

### 7. OTHER FINANCIAL ASSETS

	<u>31-Dec-14</u>	<u>30-Jun-14</u>
	\$	\$
Loan to Mongo Tando Limited	<u>4,495,532</u>	<u>4,436,645</u>
	<u>4,495,532</u>	<u>4,436,645</u>

The loans to Mongo Tando Limited (the “Associate”) are unsecured interest-free loans for the purpose of obtaining the required working capital for the establishment and ongoing operation of the Project in Angola. LR Group, the ultimate 50% holder in the Associate, along with Minbos’ ultimate 50% holding in the Associate, each contribute in equal portions loans receivable.

### 8. BORROWINGS

	<u>31-Dec-14</u>	<u>30-Jun-14</u>
	\$	\$
Convertible note - Lind facility (held at amortised cost) (a)	-	200,000
Convertible note - Management (held at amortised cost) (b)	-	500,000
Convertible note - Sophisticated investors (held at fair value) (c)	-	550,000
	<u>-</u>	<u>1,250,000</u>

This note provides information about the contractual items of the Group’s interest-bearing borrowings.

#### (a) Convertible note – Lind facility

On 7 March 2013, the Company entered into a funding agreement with Lind Partners, LLC, the manager of the Australian Special Opportunities Fund, LP (together “Lind”). The key terms of the agreement can be found in the Company’s 2014 annual report.

#### Convertible Security

On 18 March 2014, the Convertible Security Agreement announced 8 March 2013 was assigned to a group of sophisticated investors who agreed to vary the terms and accept repayment of the \$200,000 convertible security, subject to a future capital raising of at least \$1,500,000.

On 6 October 2014, the Company issued 33,333,333 shares at \$0.003 per share on conversion of \$100,000 of the \$200,000 convertible security. The remaining \$100,000 of the convertible security was repaid in cash during the period. The company also issued 10,000,000 unlisted options exercisable at 1 cent, expiring 30 December 2016, pursuant to the Deed of Assignment and Assumption for Convertible Security dated 18 March 2014.

The Company has internally measured the fair value of the options granted by adopting a Black-Scholes option pricing model at \$18,520. The model inputs are shown in table 1 (below).

#### (b) Convertible note – Management

On 2 April 2013 Minbos signed convertible note deeds with David Reeves (former Non-Executive Director) and James Carter (former Chief Financial Officer and joint Company Secretary) who provided the Company with \$250,000 each. The key terms of the agreement can be found in the Company’s 2014 annual report.

During the period, James Carters initial investment of \$250,000 and interest of \$9,452 was repaid by the Company in cash. On 9 October 2014, David Reeves initial investment of \$250,000 and interest of \$10,110 was converted into 86,703,200 ordinary shares at \$0.003 per share.

## Notes to the Consolidated Financial Statements

### (c) Convertible note – Sophisticated investors

On 4 July 2013 the Company signed a capital raising/corporate mandate with CPS Capital Group Pty Ltd (CPS) and a convertible note trust deed dated 27 August 2013 (together the Convertible Note Facility). On 10 December 2013 the Company's amended its capital raising/corporate mandate with CPS, whereby the issue of the convertible notes will raise a total of up to \$800,000 (before costs) in three tranches.

#### Tranche 1:

Tranche 1 was repaid in the 2014 financial year, refer 30 June 2014 annual report for further detail.

#### Tranche 2:

In 2014 financial year the Company received \$250,000 from CPS, being Tranche 2 of the funds advanced.

On 25 August 2014 the Company converted \$75,000 of the Tranche 2 funds into 25,000,000 shares at \$0.003 per share and 25,000,000 free attaching options which have an exercise price of 1 cent and expiry of 30 December 2016. The 25,000,000 free attaching options, plus the 75,000,000 free attaching options from tranche 3 (below) vest immediately and were internally valued during the period using the Black-Scholes Option Pricing Model at \$192,050. The model inputs are shown in table 2 (below).

On 6 October 2014 the Company converted the remaining \$175,000 of the Tranche 2 funds into 58,333,332 shares at \$0.003 per share and 58,333,332 free attaching options which have an exercise price of 1 cent and expiry of 30 December 2016. The 58,333,332 free attaching options, plus the 25,000,000 free attaching options from tranche 3 (below) vest immediately and were internally valued during the period using the Black-Scholes Option Pricing Model at \$154,334. The model inputs are shown in table 3 (below).

#### Tranche 3:

In 2014 financial year the Company received \$300,000 from CPS, being Tranche 3 of the funds advanced.

On 25 August 2014 the Company converted \$225,000 of the Tranche 3 funds into 75,000,000 shares at \$0.003 per share and 75,000,000 free attaching options which have an exercise price of 1 cent and expiry of 30 December 2016. The 75,000,000 free attaching options, plus the 25,000,000 free attaching options from tranche 2 (above) vest immediately and were internally valued during the period using the Black-Scholes Option Pricing Model at \$192,050. The model inputs are shown in table 2 (below).

On 6 October 2014 the Company converted the remaining \$75,000 of the Tranche 3 funds into 25,000,000 shares at \$0.003 per share and 25,000,000 free attaching options which have an exercise price of 1 cent and expiry of 30 December 2016. The 25,000,000 free attaching options, plus the 58,333,332 free attaching options from tranche 2 (above) vest immediately and were internally valued during the period using the Black-Scholes Option Pricing Model at \$154,334. The model inputs are shown in table 3 (below).

<b>Black &amp; Scholes Option Pricing Model</b>	<b>Table 1</b>	<b>Table 2</b>	<b>Table 3</b>
Date of Grant	6/10/2014	25/08/2014	6/10/2014
Date of Expiry	30/12/2016	30/12/2016	30/12/2016
Strike (Exercise) Price	\$0.01	\$0.01	\$0.01
Underlying Share Price (at date of issue)	\$0.004	\$0.004	\$0.004
Risk Free Interest Rate (at date of issue)	2.60%	2.60%	2.60%
Volatility (up to date of issue)	120%	120%	120%
Years to Expiry	2.24	2.35	2.24
Number of options granted	10,000,000	100,000,000	83,333,332
Dividend Yield	0%	0%	0%
Black & Scholes Valuation	\$0.0019	\$0.0019	\$0.0019
<b>Total Fair Value of Options</b>	<b>\$18,520</b>	<b>\$192,050</b>	<b>\$154,334</b>

The options above vest immediately and the conversion of the note to shares and options (per above) resulted in a fair value loss of \$364,904 recognised in the profit or loss in relation to finance costs, refer Note 4.

## Notes to the Consolidated Financial Statements

### 9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### a) Fair value hierarchy

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

- (i) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (ii) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (iii) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

At 31 December 2014 the Group did not have a financial liabilities measured and recognised at fair value. Due to their short term nature, the carrying amount of the current receivables and payables is assumed to approximate their fair value. The Groups financial liabilities at 30 June 2014 have been presented in the following table:

Year ended 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Liabilities</b>				
Borrowings	-	(550,000)	-	<b>(550,000)</b>
	-	<b>(550,000)</b>	-	<b>(550,000)</b>

### 10. ISSUED CAPITAL

#### (a) Issued and fully paid

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
Ordinary shares	<b>28,681,538</b>	<b>1,189,149,881</b>	26,172,620	292,148,938
	<b>28,681,538</b>	<b>1,189,149,881</b>	26,172,620	292,148,938

#### (b) Movement reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2014		292,148,938		26,172,620
Rights Issue (i)	28/07/2014	104,786,468	0.003	314,359
Conversion of CPS Convertible Note (ii)	25/08/2014	100,000,000	0.003	300,000
Rights Issue - Shortfall (iii)	3/09/2014	447,119,610	0.003	1,341,359
Conversion of CPS Convertible Note (iv)	6/10/2014	83,333,332	0.003	250,000
Conversion of Convertible Security (iv)	6/10/2014	33,333,333	0.003	100,000
Reeves Debt Conversion (v)	9/10/2014	86,703,200	0.003	260,110
Reeves Debt Conversion (v)	9/10/2014	10,725,000	0.003	32,175
Employee share plan (vi)	12/11/2014	31,000,000	0.003	-
Issue of equity costs	-	-	-	(89,085)
<b>Balance 31 December 2014</b>		<b>1,189,149,881</b>		<b>28,681,538</b>

- (i) On 28 July 2014, the Company closed its entitlement offer and issued 104,786,468 shares at \$0.003 per share to raise \$314,359.
- (ii) On 25 August 2014, the Company issued 100,000,000 shares at \$0.003 per share and 100,000,000 free attaching options exercisable at \$0.01 per share, expiry 30 December 2016, on conversion of \$300,000 of an \$800,000 convertible note facility pursuant to the convertible note trust deed dated 27 August 2013.

## Notes to the Consolidated Financial Statements

- (iii) On 3 September 2014, the Company successfully completed the placement of the rights issue shortfall of 447,119,610 fully paid ordinary shares issued at \$0.003 per share to raise \$1,341,359.
- (iv) On 6 October 2014, the Company issued 83,333,332 shares at \$0.003 per share and 83,333,332 free attaching options exercisable at \$0.01 per share, expiry 30 December 2016, on conversion of the remaining \$250,000 of an \$800,000 convertible note facility pursuant to the convertible note trust deed dated 27 August 2013.

On 6 October 2014, the Company also issued 33,333,333 shares at \$0.003 per share on conversion of \$100,000 of the \$200,000 convertible security. The remaining \$100,000 of the convertible security was repaid in cash during the period. The company also issued 10,000,000 unlisted options exercisable at 1 cent, expiring 30 December 2016, pursuant to the Deed of Assignment and Assumption for Convertible Security dated 18 March 2014.

- (v) On 9 October 2014, the Company issued 86,703,200 shares at \$0.003 per share on conversion of David Reeves convertible note of \$250,000 and interest of \$10,110.

On 9 October 2014, the Company also issued 10,725,000 shares at \$0.003 per share to David Reeve's in lieu of his outstanding Director fees of \$32,175.

- (vi) On 26 September 2014, the Company approved a remuneration of 37,000,000 units to Lindsay Reed in the Employee Share Trust (EST) valued at \$0.003 per unit. The Company allocated 6,000,000 shares from the EST to Mr Reed and issued the remaining 31,000,000 shares on the 12 November 2014, refer to Note 12.

### 11. RESERVES

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
Share-based payment & option reserve	2,185,435	312,816,665	1,820,531	122,483,333
Employee share plan reserve	378,696	-	340,000	-
Foreign currency translation reserve	2,615,839	-	842,816	-
	<b>5,179,970</b>	<b>312,816,665</b>	<b>3,003,347</b>	<b>122,483,333</b>

	31-Dec-14	30-Jun-14
	\$	\$
<b>Movement reconciliation</b>		
<b>Share-based payment &amp; option reserve</b>		
Balance at the beginning of the period	1,820,531	1,269,657
Equity settled share-based payment transactions	364,904	550,874
<b>Balance at the end of the period</b>	<b>2,185,435</b>	<b>1,820,531</b>
<b>Employee share plan reserve</b>		
Balance at the beginning of the period	340,000	197,889
Equity settled share-based payment transactions	38,696	142,111
<b>Balance at the end of the period</b>	<b>378,696</b>	<b>340,000</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the period	842,816	1,214,954
Effect of translation of foreign currency operations to group presentation currency	1,773,023	(372,138)
<b>Balance at the end of the period</b>	<b>2,615,839</b>	<b>842,816</b>



## Notes to the Consolidated Financial Statements

### 12. EMPLOYEE SHARE PLAN RESERVE

#### (a) Fair value of employee shares granted during the period

In the 2013 financial year the Board implemented an employee share plan to deliver remuneration in the form of equity in Minbos Resources Limited which, under the Minbos Board's discretion, may be awarded from time to time. The employee share plan was approved at the Company's general meeting on 14 March 2013 and the purpose is to:

- Support employee retention;
- Enhance employee involvement and focus; and
- Increase wealth distribution among the employees.

#### Employee Share Plan – Lindsay Reed

On 26 September 2014 the Company approved a remuneration of 37,000,000 units to Lindsay Reed in the Employee Share Trust ('EST') valued at \$0.003 per unit. The Company allocated 6,000,000 shares from the EST to Mr Reed and issued the remaining 31,000,000 shares on the 12 November 2014.

Mr Reed's remuneration was subject to the following vesting conditions;

- 18,500,000 shares shall vest;
  - (a) one year from the Commencement Date (being 1 September 2015); and
  - (b) if an announcement is made to the market by the Company of the renewal of the exploration licence 0006/06/01/L.P/GOV.ANG.MGM.2010 granted to Mongo Tando Ltda, which expired in January 2013.
- 18,500,000 shares shall vest;
  - (a) two years from the Commencement Date (being 1 September 2016); and
  - (b) upon presentation of a definitive feasibility study by the Company's joint venture partner in relation to the Cabinda Project.

In the event of a change of control event, the share will vest automatically.

#### (b) Recognised employee benefits expense

The employee shares issued to Lindsay Reed have been valued using the underlying shares as at the issue date, being \$0.005 per share. The total expense recognised as an employee benefits expense is therefore \$185,000, prorated over two years, per the vesting conditions mentioned above. The total employee benefits expense for the half year ended 31 December 2014 and future years is as follows:

	Value recognised during period	Value to be recognised in future years
	\$	\$
<b>Key Management Personnel</b>		
Employee share plan	38,696	146,304
	<b>38,696</b>	<b>146,304</b>

## Notes to the Consolidated Financial Statements

### 13. RELATED PARTIES

#### (a) Loans from key management personnel

##### Convertible Note – Sophisticated Investors

Mr Peter Wall became a convertible note holder through his associated entity for the amount of \$150,000, prior to his appointment as Director.

On 6 October 2014, the Company issued 83,333,332 shares at \$0.003 per share and 83,333,332 free attaching options exercisable at \$0.01 per share, expiry 30 December 2016, on conversion of the remaining \$250,000 of the \$800,000 convertible note facility. From this conversion, Mr Wall received 25,000,000 fully paid ordinary shares and 25,000,000 unlisted options.

#### (b) Employee share plan for key management personnel

During the period the Company issued 37,000,000 shares to Lindsay Reed ('Chief Executive Officer') under the employee share plan. The shares have been issued at \$0.003 per unit with a total value of \$111,000 and are held in trust by the trustee of the Minbos employee share plan until the vesting conditions are satisfied. For further detail refer to Note 12.

#### (c) Other transactions with key management personnel

##### Legal Services

During the period the Company used Steinepreis Paganin Lawyers & Consultants for legal services, a firm which Peter Wall (Non-Executive Chairman) is a partner. The Company incurred fees from Steinepreis Paganin Lawyers & Consultants of \$30,403 of which \$6,931 was outstanding at 31 December 2014.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There are no other transactions with key management personnel during the period.

### 14. DIVIDENDS

No dividends have been paid or declared since the start of the financial period, and none are recommended.

### 15. COMMITMENTS

There have been no material changes in the Company's commitments since the last annual reporting date.

### 16. CONTINGENCIES

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

### 17. SUBSEQUENT EVENTS

On 30 January 2015 the Company entered into binding agreements with Sofosa in relation to the Cabinda project. Sofosa is a company incorporated in Angola and of which Minbos's director Mr Domingos Catulitchi is a shareholder and director. Sofosa will provide support and services on the Cabinda project for a payment of USD 15,000 per month retrospective from 1 July 2014. In addition Sofosa will be issued, (subject to Minbos shareholder approval) with two separate classes of performance rights that can convert up to a total of 237.8 million fully paid shares in Minbos.

There have not been any significant events, other than those stated above, that have arisen since 31 December 2014 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## Directors' Declaration

The Directors of the company declare that:

- (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, and:
- (i) give 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.
  - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Director's opinion 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 made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Peter Wall  
Non-Executive Chairman  
Perth, 11 March 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Minbos Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Minbos Resources 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 Minbos Resources 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 Minbos Resources 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 Minbos Resources 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 2 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 consolidated entity being able to raise additional funds as required to fund ongoing exploration commitments and for working capital. These conditions, along with other matters as set out in Note 2, 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.

## Emphasis of matter

We draw attention to Note 5 in the financial statements which describes an uncertainty relating to the recoverability of the Group's investment in and loans to Associate. Our review report is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 11 March 2015