

WALKABOUT RESOURCES LTD
ACN 119 670 370

Interim Financial Report
31 December 2013

WALKABOUT RESOURCES LTD
ACN 119 670 370

INTERIM FINANCIAL REPORT
For the Half Year Ended 31 December 2013

| | |
|--|----|
| Company Directory | 1 |
| Directors' Report | 2 |
| Auditor's Independence Declaration | 5 |
| Condensed Consolidated Statement of Comprehensive Income | 6 |
| Condensed Consolidated Statement of Financial Position | 7 |
| Condensed Consolidated Statement of Changes in Equity | 8 |
| Condensed Consolidated Statement of Cash Flows | 9 |
| Notes to the Condensed Consolidated Financial Statements | 10 |
| Directors' Declaration | 15 |
| Independent Auditor's Review Report | 16 |

COMPANY DIRECTORY

DIRECTORS

Mr Allan Mulligan
(Managing Director)

Mr Geoffrey Wallace
(Executive Director)

Mr Peter Batten
(Non Executive Director)

COMPANY SECRETARY

Mr Geoffrey Wallace

REGISTERED OFFICE

Level 3, 681 Murray Street
WEST PERTH, WA, 6005
+61 8 6298 7500

admin@Walkabout.com.au

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

SHARE REGISTRAR

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 8 9315 2333

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: WKT

**WALKABOUT RESOURCES LTD
ACN 119 670 370**

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

| | |
|------------------|--|
| Allan Mulligan | Managing Director |
| Geoffrey Wallace | Executive Director and Company Secretary |
| Peter Batten | Non - Executive Director |

RESULTS

The loss after tax for the period ended 31 December 2013 was \$577,074 (2012:\$1,155,210).

REVIEW OF OPERATIONS

BOTSWANA

Takatokwane Thermal Coal Project

The Group's development strategy for the Takatokwane project is heavily weighted to the mining and export of coal to local, regional and international markets. Also being investigated is the conversion of low grade coal and middlings product to syngas and energy products. During the half year the Group signed a memorandum of agreement with ecological coal based industrialisation technology company Coalswana (Pty) Ltd (ASX Announcement 18 October 2013) whereby Coalswana will complete integrated studies which include exploration, resource drilling and engineering to complete the final resource classifications, mine planning design and the optimised detailed development programme for the Ultra Clean Coal Energy Fuel (UCCEF) production facility, which is proposed to be built on site under a limited coal off take agreement.

The Group has received notification that the Governments of Botswana and Namibia are to sign in March 2014 bilateral access Agreements for the Trans-Kalahari rail project from Botswana to Namibia, This will remove any legal impediments to the rail project and facilitate investment commitment. The planned heavy haul rail line will pass in close proximity to the Takatokwane project.

The company continues to engage with third parties expressing interest in participation partnerships over other areas within the large inferred resource at Takotokwane.

**WALKABOUT RESOURCES LTD
ACN 119 670 370**

HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

TANZANIA

Kigoma Copper Project

During the half year the Group discovered several shear hosted sulphide mineralised quartz stockworks. Laboratory assay results confirmed the presence of copper, zinc and silver within these zones with intercepts of up to 2.1% Cu, 63.0 g/t Ag and 3.4% Zn over separate one metre downhole intervals (ASX Announcement 4 December 2013). These intersections represent the first significant sulphide deposits in the area.

Since announcing these exploration results on 4 December 2013, the Group is not aware of any new information or data that materially affects the information included in those announcements.

Following the wet season, it is expected the Group will commence in April 2014 a series of well-placed ground magnetic surveys intended to generate drill targets in the Malagarassi north zone and also in close proximity to the large and shallow magnetic high within the tenement area.

CORPORATE

During the half year under review the Company raised \$347,000 by way of a Share Purchase Plan to shareholders. The Directors of the Company all participated in the scheme to the maximum allowable amount.

EVENTS SUBSEQUENT TO REPORTING DATE

Kigoma Copper Project Tanzania

The Group has relinquished 55 of the 111 PML's it holds at Kigoma. Exploration expenditure attaching to these areas has been written off as at 31 December 2013. Refer to note 3 of the Condensed Financial Statements.

Share Placement

On 13 March 2014 the Company completed a placement of 90 million ordinary fully paid shares at the price of \$0.006 per share to raise \$540,000 before costs.

**WALKABOUT RESOURCES LTD
ACN 119 670 370**

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

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 half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'G. Wallace', written in a cursive style.

Geoffrey Wallace
Executive Director

Dated this 14th day of March 2014

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated half-year financial report of Walkabout Resources Ltd for the half-year ended 31 December 2013, 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
14 March 2014

N G Neill
Partner

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Half Year ended 31 December 2013

| | Note | 31 December 2013 \$ | 31 December 2012 \$ |
|---|------|---------------------------|---------------------------|
| Revenue | 2 | 11,766 | 62,020 |
| Administration expenses | | (19,925) | (291,098) |
| Wages and directors fees | | (100,390) | (93,217) |
| Occupancy costs | | (65,391) | (63,245) |
| Legal and compliance | | (64,229) | (81,117) |
| Professional fees | | (63,424) | (37,550) |
| Deferred exploration expenditure written off | 3 | (263,245) | (651,003) |
| Loss on disposal | | (12,236) | - |
| Loss before income tax | | (577,074) | (1,155,210) |
| Income tax expense | | - | - |
| Loss after tax from continuing operations | | (577,074) | (1,155,210) |
| Loss after tax from discontinued operation | | - | - |
| Net loss for the period | | (577,074) | (1,155,210) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit and loss</i> | | | |
| Exchange differences on translation of foreign operations | | (5,820) | 4,684 |
| Other comprehensive loss for the period net of tax | | (582,894) | (1,150,526) |
| Total comprehensive loss for period | | (582,894) | (1,150,526) |
| Basic loss per share from continuing operations (cents) | | (0.085) | (0.210) |

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

| | Note | 31 December 2013 \$ | 30 June 2013 \$ |
|---|------|------------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 482,607 | 1,765,075 |
| Trade and other receivables | | 179,238 | 167,884 |
| Total current assets | | 661,845 | 1,932,959 |
| Non-current assets | | | |
| Trade and other receivables | | 35,742 | 35,742 |
| Property, plant and equipment | | 67,021 | 93,888 |
| Deferred exploration and evaluation expenditure | 3 | 12,471,091 | 11,364,276 |
| Total non-current assets | | 12,573,854 | 11,493,906 |
| Total assets | | 13,235,699 | 13,426,865 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 245,349 | 253,083 |
| Provisions | | 31,215 | 28,753 |
| Total current liabilities | | 276,564 | 281,836 |
| Total liabilities | | 276,564 | 281,836 |
| Net assets | | 12,959,135 | 13,145,029 |
| Equity | | | |
| Issued capital | 4 | 46,544,459 | 46,147,459 |
| Reserves | | 1,537 | 218,977 |
| Accumulated losses | | (33,586,861) | (33,221,407) |
| Total equity | | 12,959,135 | 13,145,029 |

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2013

| | Issued Capital | Accumulated Losses | Options Reserve | Foreign Currency Reserve | Total Equity |
|---|---------------------------|-------------------------------|----------------------------|---|-------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2012 | 44,647,459 | (31,951,917) | 211,620 | (52) | 12,907,110 |
| Loss for the period | - | (1,155,210) | - | - | (1,155,210) |
| Exchange differences arising on translation of foreign operations | - | - | - | 4,684 | 4,684 |
| Total comprehensive loss for the period | - | (1,155,210) | - | 4,684 | (1,150,526) |
| Balance at 31 December 2012 | 44,647,459 | (33,107,127) | 211,620 | 4,632 | 11,756,584 |
| Balance at 1 July 2013 | 46,147,459 | (33,221,407) | 211,620 | 7,357 | 13,145,029 |
| Loss for the period | - | (577,074) | - | - | (577,074) |
| Exchange differences arising on translation of foreign operations | - | - | - | (5,820) | (5,820) |
| Total comprehensive loss for the period | - | (577,074) | - | (5,820) | (582,894) |
| Shares issued during the year | 397,000 | | | | 397,000 |
| Transfer of expired options reserve | - | 211,620 | (211,620) | | - |
| Balance at 31 December 2013 | 46,544,459 | (33,586,861) | - | 1,537 | 12,959,135 |

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2013

| | 31 December 2013 | 31 December 2012 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (381,139) | (324,797) |
| Interest received | 11,766 | 62,020 |
| Net cash flows used in operating activities | (369,373) | (262,777) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | - | (10,018) |
| Proceeds from disposal of property, plant & equipment | 11,504 | - |
| Payments for exploration and evaluation | (1,291,599) | (999,124) |
| Refunds of security bonds | 20,000 | 13,369 |
| Net cash flows used in investing activities | (1,260,095) | (995,773) |
| Cash flows from financing activities | | |
| Proceeds from the issue of shares | 347,000 | - |
| Net cash flows from financing activities | 347,000 | - |
| Net increase / (decrease) in cash and cash equivalents | (1,282,468) | (1,258,550) |
| Cash and cash equivalents at the beginning of the period | 1,765,075 | 4,154,226 |
| Cash and cash equivalents at the end of the period | 482,607 | 2,895,676 |

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2013

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, applicable 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'.

The 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 half-year report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Walkabout Resources Ltd and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

Basis of preparation

The half-year report has been prepared on a historical cost basis. 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, unless otherwise noted.

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

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

Significant accounting judgements and key estimates

The preparation of half-year report 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 half-year report, the significant judgments 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 consolidated financial report for the year ended 30 June 2013.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group operations and effective for annual reporting periods beginning on or after 1 July 2013.

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 Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. 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.

WALKABOUT RESOURCES LTD
ACN 119 670 370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Half-Year Ended 31 December 2013

Going Concern

As at 31 December 2013 the Group had cash available of \$482,607 and for the half-year ended 31 December 2013, the Group incurred a loss of \$577,074 and had a net outflow from operating and investing activities of \$1,629,468.

The board considers that the Company is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve month period from the date of this half-year report. In this regard, on 13 March 2014, the Company completed a placement of 90 million ordinary fully paid shares at the price of \$0.006 per share to raise \$540,000 before costs.

Should the Company be unable to obtain further funding, there is a material uncertainty that may cast significant doubt over whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year report.

The half-year report does not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

2. LOSS BEFORE INCOME TAX EXPENSE

| | 31 December 2012 | 31 December 2012 |
|---|-----------------------------|-----------------------------|
| | \$ | \$ |
| The following revenue and expense items are relevant in explaining the financial performance for the half-year: | | |
| Interest revenue | 11,766 | 62,020 |
| Deferred exploration expenditure written off | 263,245 | 651,003 |

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

| | SIX MONTHS TO 31 December 2013 | YEAR TO 30 June 2013 |
|---|---|---------------------------------|
| | \$ | \$ |
| Costs carried forward in respect of areas of interest in the following phases | 12,471,091 | 11,364,276 |
| Exploration and evaluation phase – at cost | | |
| Balance at beginning of period | 11,364,276 | 8,649,237 |
| Acquisition costs | 100,000 | 1,500,000 |
| Expenditure incurred | 1,270,060 | 1,584,104 |
| Expenditure written off (i) | (263,245) | (369,065) |
| Balance at end of period | <u>12,471,091</u> | <u>11,364,276</u> |

- (i) The directors reviewed the current exploration projects and as a result of the review the 55 PML,s in Kigoma, Tanzania are being relinquished with the attaching deferred exploration and evaluation expenditure being written off at 31 December 2013.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

WALKABOUT RESOURCES LTD
ACN 119 670 370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Half-Year Ended 31 December 2013

4. ISSUED CAPITAL

| | | | 31 December 2013 \$ | 30 June 2013 \$ |
|---|---|--|---|--|
| Ordinary Shares | | | | |
| 708,978,489 (30 June 2013: 666,815,802) issued and fully paid. | | | 46,544,459 | 46,147,459 |
| | SIX MONTHS 31 December 2013 Number | YEAR TO 30 June 2013 Number | SIX MONTHS 31 December 2013 \$ | YEAR TO 30 June 2013 \$ |
| Movements in ordinary shares on issue | | | | |
| At start of period | 666,815,802 | 546,815,788 | 46,147,459 | 44,647,459 |
| Shares issued – placement | - | - | - | - |
| Shares issued – share purchase plan | 34,700,000 | - | 347,000 | - |
| Shares issued for tenement acquisition | 7,462,687 | 120,000,014 | 50,000 | 1,500,000 |
| At end of period | <u>708,978,489</u> | <u>666,815,802</u> | <u>46,544,459</u> | <u>46,147,459</u> |

5. SEGMENTAL REPORTING

Operating Segments by business activity

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors in assessing performance and determining the allocation of resources.

Segment Information

The following tables presents revenue and results information regarding segment information provided to the Board of Directors for the half year periods ended 31 December 2013 and 31 December 2012.

WALKABOUT RESOURCES LTD
ACN 119 670 370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Half-Year Ended 31 December 2013

| | Corporate | Coal | Gold Exploration | Copper | Total |
|--------------------------------|-----------|-------------|---------------------|-----------|-------------|
| 31 December 2013 | \$ | \$ | \$ | | \$ |
| Segment revenue | 11,766 | - | - | - | 11,766 |
| Segment result | (401,384) | (174,980) | (710) | - | (577,074) |
| Included with segment results: | | | | | |
| Depreciation | 13,204 | - | - | - | 13,204 |
| Interest revenue | 11,766 | - | - | - | 11,766 |
| Segment assets | 2,295,673 | 9,586,038 | - | 1,353,988 | 13,235,699 |
| Segment liabilities | 94,936 | 46,509 | - | 135,119 | 276,564 |
| | | | | | |
| 31 December 2012 | | | | | |
| Segment revenue | 62,020 | - | - | - | 62,020 |
| Segment result | (722,870) | (428,470) | (3,870) | - | (1,155,210) |
| Included with segment results: | | | | | |
| Depreciation | 8,218 | 3,546 | - | - | 11,764 |
| Interest revenue | 62,020 | - | - | - | 62,020 |
| Segment assets | 9,177,154 | 2,841,352 | 20,000 | - | 12,038,506 |
| Segment liabilities | 3,625,716 | (3,441,173) | (466,465) | - | (281,922) |

WALKABOUT RESOURCES LTD
ACN 119 670 370

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Half-Year Ended 31 December 2013

6. OPTIONS

| | SIX MONTHS 31 December 2013 Number | YEAR TO 30 June 2013 Number |
|--------------------------------------|---|--|
| | - | 20,637,650 |
| | Number | Number |
| Movements in options on issue | | |
| At 1 July | 20,637,650 | 27,275,300 |
| Granted | - | - |
| Expired | (20,637,650) | (6,637,650) |
| Exercised | - | - |
| At 31 December | - | 20,637,650 |

7. EVENTS SUBSEQUENT TO REPORTING DATE

Kigoma Copper Project Tanzania

The Group has relinquished 55 of the 111 PML's it holds at Kigoma. Exploration expenditure attaching to these areas has been written off as at 31 December 2013. Refer to Note 3 of the Notes to the Condensed Consolidated Financial Statements.

Share Placement

On 13 March 2014 the Company completed a placement of 90 million ordinary fully paid shares at the price of \$0.006 per share to raise \$540,000 before costs.

8. COMMITMENTS AND CONTINGENT LIABILITIES

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

**WALKABOUT RESOURCES LTD
ACN 119 670 370**

DIRECTORS' DECLARATION

For the Half Year Ended 31 December 2013

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 14 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date.
2. In the Directors' 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Geoffrey Wallace
Executive Director

Dated this 14th day of March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Walkabout Resources Ltd

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Walkabout Resources Ltd ("the company") which comprises the condensed statement of financial position as at 31 December 2013, 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 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. 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 Walkabout Resources Ltd 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 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 to the financial report which indicates that the Group will be required to raise additional funding to enable it to continue as a going concern. If the Group is unable to secure sufficient additional funding, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and extinguish its liabilities in the normal course of business.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
14 March 2014