



Monax Mining Limited and Controlled Entities

Consolidated Half-Year Financial Report

31 December 2015

CORPORATE DIRECTORY

Monax Mining Limited

ACN 110 336 733
ABN 96 110 336 733
Incorporated in SA

Registered Office

139 Greenhill Road
UNLEY SA 5061
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Share Registrar

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Auditor

Grant Thornton
Chartered Accountants
67 Greenhill Road
Wayville SA 5034

Monax Mining Limited and Controlled Entities

Directors' Report

The directors present their report together with the half-year financial report of Monax Mining Limited ("the Company") and its controlled entities ("Consolidated entity") for the period ended 31 December 2015 and the auditor's independent review report thereon.

Directors

The names of the directors of the Company during the half-year and until the date of this report are:

Robert M Kennedy (*Non-Executive Chairman*)

Glenn S Davis

Gary M Ferris (*Managing Director*)

Alternate Directors

Ian R Witton – alternate for Glenn S Davis (ceased on 29 October 2015)

Principal activities

The consolidated entity's principal activity is mineral exploration.

Review and results of operations

The net (loss)/ profit after income tax for the half-year was \$435,664 (December 2014 -\$375,985).

Monax Mining Limited ("Monax") is an Adelaide-based mineral explorer with projects located in the Pine Creek region, Northern Territory and the Gawler Craton area in South Australia. In the six months to December 2015, Monax has primarily focused on exploration at its Mt Ringwood Gold Project along with copper-gold exploration at Punt Hill, and diamond exploration on its Margaret Dam tenement.

During the period, Monax announced the signing of landmark deals to take control of multiple mining and exploration leases in the Northern Territory's Pine Creek gold camp. The outcome was the culmination of significant efforts in bringing together a number of tenements held by private interests into what Monax views as a significant gold project. The Pine Creek area is renowned for hosting shallow, high grade gold mineralisation. Mining in the area has taken place more or less continuously since the 'gold rush' in the area during the 1870's. Monax has undertaken an extensive mapping and sampling program at Mt Ringwood, yielding impressive results and intends to commence drilling at the project in April 2016. Monax issued 14,000,000 Monax Shares to the owners of the mining leases at Mt Ringwood as an option payment (see 15 October 2015 ASX Release for details).

Drilling on Monax's Western Gawler Craton and Phar Lap Projects were funded and undertaken by Western Areas Limited ("Western Areas") and Iluka Resources Limited ("Iluka") respectively. Subsequently, Western Areas advised Monax that they had reached the 90% earn-in requirement for the Western Gawler Craton Project. Monax elected to maintain a 10% interest in the Western Gawler Craton. Monax and Western Areas will now form an unincorporated joint venture whereby Monax has the option to co-fund exploration pro-rata (based on a 10% interest).

During the period, Monax also completed a Share Purchase Plan with applications received for 14,550,000 new shares raising \$145,500. Monax also issued 21,385,924 Monax Shares to a wholly-owned subsidiary of Chilean copper producer, Antofagasta plc ("Antofagasta") to secure 100% ownership of the Punt Hill Copper-Gold Project.

Monax has implemented further cost saving measures including moving its Exploration Office, staff reductions and relinquishing non-core tenements. The Margaret Dam tenements in northern South Australia, the Parndana (EL 5353) tenement on Kangaroo Island South Australia and the granted tenement and applications in the Cloncurry area in northwest Queensland were relinquished.

Monax Mining Limited and Controlled Entities

Directors' Report (continued)

Likely developments

Further information about likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" Mr Ferris consents to the inclusion of the information in this report in the form and context in which it appears.

Auditors independence declaration

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton, to provide the directors of Monax Mining Limited with an Independence Declaration in relation to the review of the half-year financial report. The Independence Declaration is set out on the following page and forms part of this Directors' Report.

Dated atAdelaide..... this9th... day ofMarch..... 2016.

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



Robert Michael Kennedy
Director

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MONAX MINING LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Monax Mining Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Sheenagh Edwards
Partner - Audit & Assurance

Adelaide, 9 March 2016

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Monax Mining Limited and Controlled Entities
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2015

	Note	Consolidated	
		Dec 2015	Dec 2014
		\$	\$
Other revenues from ordinary activities	4	45,997	144,770
Total other revenue		45,997	144,770
Administrative expenses		81,969	83,214
Consultancy expenses		115,286	33,171
Depreciation		3,869	10,398
Occupancy expenses		32,815	2,123
Employment expenses		123,540	116,669
Impairment of assets		124,182	161,095
Service fees		-	76,711
Loss on disposal of available for sale asset		-	-
Other expenses		-	6,446
Profit/(loss) before income tax expense		(435,664)	(345,057)
Income tax (expense)			(30,928)
Profit/(loss) for the period		(435,664)	(375,985)
Loss attributed to members of the parent entity		(435,664)	(375,985)
Items that maybe reclassified to profit or loss:			
Changes in fair value of available for sale financial assets		-	132,802
Income tax relating to these items		-	-
Other comprehensive income		-	132,802
Total comprehensive income for the period		(435,664)	(243,183)
Basic earnings per share (cents)		(0.2)	(0.18)
Diluted earnings per share (cents)		(0.2)	(0.18)

The accompanying notes form part of these financial statements.

Monax Mining Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2015

		Consolidated	
	Note	Dec 2015	Jun 2015
		\$	\$
Current assets			
Cash and cash equivalents	7	369,891	1,071,929
Trade and other receivables		23,046	55,361
Other assets		12,626	13,276
Total current assets		<u>405,563</u>	<u>1,140,566</u>
Non-current assets			
Plant and equipment		28,866	46,383
Investments accounted for using the equity method	10	-	1
Exploration and evaluation expenditure	8	520,262	180,697
Total non-current assets		<u>549,128</u>	<u>227,081</u>
Total assets		<u>954,691</u>	<u>1,367,647</u>
Current liabilities			
Trade and other payables		84,406	423,164
Provisions		61,630	83,756
Total current liabilities		<u>146,036</u>	<u>506,920</u>
Non-current liabilities			
Provisions		31,997	26,665
Total non-current liabilities		<u>31,997</u>	<u>26,665</u>
Total liabilities		<u>178,033</u>	<u>533,585</u>
Net assets		<u>776,658</u>	<u>834,062</u>
Equity			
Issued capital	12	21,412,423	21,034,163
Reserves		785,080	785,080
Retained losses		(21,420,845)	(20,985,181)
Total equity		<u>776,658</u>	<u>834,062</u>

The accompanying notes form part of these financial statements

Monax Mining Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2015

	Issued capital \$	Reserves \$	Retained losses \$	Total \$
Balance at 1 July 2014	20,200,206	647,478	(13,848,665)	6,999,019
Transactions with owners in their capacity as owners:				
Shares issued during the period	899,152	-	-	899,152
Cost associated with shares issued during the period	(65,195)	-	-	(65,195)
	833,957	-	-	833,957
(Loss) attributable to members of the parent company	-	-	(375,985)	375,895
Other comprehensive income	-	132,802	-	132,802
Total comprehensive income	-	132,802	(375,985)	(243,183)
Balance as at 31 December 2014	21,034,163	780,280	(14,224,650)	7,589,793
Balance at 1 July 2015	21,034,163	785,080	(20,985,181)	834,062
Transactions with owners in their capacity as owners:				
Shares issued during the period	393,202	-	-	393,202
Cost associated with shares issued during the period	(14,942)	-	-	(14,942)
	378,260	-	-	378,260
(Loss) attributable to members of the parent company	-	-	(435,664)	(435,664)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(435,664)	(435,664)
Balance as at 31 December 2015	21,412,423	785,080	(21,420,845)	776,658

The accompanying notes form part of these financial statements.

Monax Mining Limited and Controlled Entities

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2015

	Consolidated	
	Dec 2015	Dec 2014
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	-	144,770
Cash payments in the course of operations	(369,836)	(335,243)
Proceeds from Grants	41,379	-
Interest received	4,618	254
Net cash (used in) operating activities	(323,839)	(190,219)
Cash flows from investing activities		
Proceeds from plant and equipment	13,649	-
Joint venture payments	(323,847)	826,933
Payments for mining tenements and exploration	(198,559)	(1,625,762)
Proceeds from sale of mining tenements	-	290,000
Loans to related entities	-	3,307
Net cash (used in)/provided by investing activities	(508,757)	(505,522)
Cash flows from financing activities		
Proceeds from issue of shares	145,500	899,152
Payments associated with the issue of shares	(14,942)	(93,135)
Net cash provided by financing activities	130,558	806,017
Net increase/(decrease) in cash held	(702,038)	110,276
Cash at the beginning of the half-year	1,071,929	1,280,943
Cash at the end of the half-year	369,891	1,391,219

The accompanying notes form part of these financial statements.

Monax Mining Limited and Controlled Entities

Condensed Notes to the Financial Statements

For the half-year ended 31 December 2015

1 *Basis of preparation of interim report*

Monax Mining Limited (Monax or the Company) is a company domiciled in Australia. The consolidated interim financial report of the Company for the six months ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the consolidated entity).

The consolidated annual financial report of the consolidated entity for the year ended 30 June 2015 is available upon request from the Company's registered office at 139 Greenhill Road, Unley SA or at www.monaxmining.com.au.

The interim consolidated financial statements are a general purpose report prepared in accordance with AASB 134 Interim Financial Reporting, and the Corporations Act 2001. This interim financial report is intended to provide users with an update on the latest annual financial statements of the consolidated entity. As such, this interim financial report does not include full disclosures of the type normally included in the annual report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Monax during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

2 *Significant accounting policies*

The half-year financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2015.

3 *Critical accounting estimates and judgements*

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends of economic data, obtained both externally and within the Company.

Key estimates – impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Key judgements- exploration and evaluation expenditure

The entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no

Monax Mining Limited and Controlled Entities

Condensed Notes to the Financial Statements

For the half-year ended 31 December 2015

reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

These financial statements were authorised for issue by the board of directors on 9 March 2015.

	Dec 2015	Dec 2014
	\$	\$
4		
<i>Other revenues from ordinary activities</i>		
Included in other revenues from ordinary activities:		
Interest: other parties	4,618	31,109
Other revenue	41,379	113,661
	<hr/>	<hr/>
	45,997	144,770

5 ***Contingent liabilities***

There have been no material changes to the aggregate of contingent liabilities since 30 June 2015.

6 ***Commitments***

There have been no material changes to commitments disclosed in the 30 June 2015 annual report.

7 ***Cash and cash equivalents***

	Dec 2015	Jun 2015
	\$	\$
Cash at bank	354,891	1,056,929
Deposits at call	15,000	15,000
	<hr/>	<hr/>
	369,891	1,071,929

Monax Mining Limited and Controlled Entities
Condensed Notes to the Financial Statements
For the half-year ended 31 December 2015

8 Exploration and evaluation expenditure

	Consolidated	
	Dec 2015	Jun 2015
	\$	\$
Movement:		
Carrying amount at beginning of year	180,697	5,796,162
Additional costs capitalised during the year	315,355	918,029
Share Based Payment	148,392	-
Impairment	(124,182)	(6,533,494)
Carrying amount at end of year	<u>520,262</u>	<u>180,697</u>
Closing balance comprises:		
Exploration and evaluation		
- 100% owned	0	0
Exploration and evaluation phase		
- Joint Venture	<u>520,262</u>	<u>180,697</u>
	<u>520,262</u>	<u>180,697</u>

The ultimate recoupment of costs carried forward for exploration phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

9 Controlled entities

Entities forming part of the Monax Mining Limited consolidated group are as follows:

	Country of incorporation	Percentage owned (%)	
		Dec 2015	Jun 2015
Parent entity:			
Monax Mining Limited	Australia		
Subsidiaries of Monax Mining Limited:			
Monax Alliance Pty Ltd	Australia	100%	100%

Monax Mining Limited and Controlled Entities
Condensed Notes to the Financial Statements
For the half-year ended 31 December 2015

10 Investments in associates

Interests are held in the following associated companies.

Name	Principal activities	Country of incorporation	Shares	Ownership interest %		Carrying amount of investment	
				Dec 2015	Jun 2015	Dec 2015	Jun 2015
Unlisted							
Groundhog Services Pty Ltd	Administration services	Australia	Ord	50	50	1	1

Groundhog Services Pty Ltd is in the process of being wound up and the assets have been transferred to Groundhogs Services Partnership and its Partners, Monax Mining Limited and Marmota Energy Limited.

11 Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated entity has identified its operating segments to be Gawler Craton, Kangaroo Island, and North Queensland based on different geological regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated entity.

The Consolidated entity operates primarily in one business, namely the exploration of minerals.

Monax Mining Limited and Controlled Entities
Condensed Notes to the Financial Statements
For the half-year ended 31 December 2015

11 Operating segments continued

Details of the performance of each of these operating segments for the six month periods ended 31 December 2015 and 31 December 2014 are set out below:

December 2015	Gawler Craton	Kangaroo Island	North Queensland	Mt Ringwood	Total
	\$	\$	\$	\$	\$
Segment assets	398,063	-	6,942	115,257	520,262
<i>Segment asset increases for the period:</i>					
Capital expenditure	317,214	17,548	13,728	115,257	463,747
Impairment	(99,848)	(17,548)	(6,786)	-	(124,182)
	217,366	-	6,842	115,257	338,565
<i>Reconciliation of segment assets to group assets</i>					
Cash and cash equivalents					369,891
Trade and other receivables					23,046
Other current assets					12,626
Plant and equipment					28,866
Total consolidated assets	398,063	-	6,942	115,257	954,691
June 2015					
Segment assets	180,697	-	-	-	180,697
<i>Segment asset increases for the period:</i>					
Capital expenditure (less disposals)	445,484	451,554	20,991	-	918,029
Sale of tenement	-	-	-	-	-
Impairment	(5,633,826)	(876,373)	(23,296)	-	(6,533,495)
	(5,188,342)	(424,819)	(2,305)	-	(5,615,466)
<i>Reconciliation of segment assets to group assets</i>					
Cash and cash equivalents					1,071,929
Trade and other receivables					55,361
Other current assets					13,276
Plant and equipment					46,383
Investments accounted for using the equity method					1
Total consolidated assets	180,697	-	-	-	1,367,647

Monax Mining Limited and Controlled Entities
Condensed Notes to the Financial Statements
For the half-year ended 31 December 2015

11 Operating segments continued

December 2015	Gawler Craton	Kangaroo Island	North Queensland	Mt Ringwood	Total
	\$	\$	\$	\$	\$
Segment revenue	41,379				41,379
Segment results					
Impairment	(99,848)	(17,548)	(6,786)	-	(124,182)
Interest income					4,618
Other expenses					(357,479)
Profit/(loss) before tax	(58,469)	(17,548)	(6,786)		(435,664)
Income tax benefit/(expense)					
Net profit after tax	(58,469)	(17,548)	(6,786)	-	(435,664)
December 2014					
Segment revenue	110,184	-	-	-	110,184
Segment results					
Impairment	-	-	-	-	-
Interest income	-	-	-	-	31,109
Loss on sale of available for sale asset	-	-	-	-	3,477
Other expenses	-	-	-	-	(489,827)
Profit/(loss) before tax	110,184	-	-	-	(345,057)
Income tax benefit/(expense)	-	-	-	-	(30,928)
Net profit after tax	110,184	-	-	-	(375,985)

Monax Mining Limited and Controlled Entities

Condensed Notes to the Financial Statements

For the half-year ended 31 December 2015

12 Issued capital

	Dec 2015	Jun 2015
	\$	\$
Issued and paid-up share capital		
264,009,242 (June 2015: 214,073,318) ordinary shares, fully paid	21,420,847	21,034,163
Ordinary shares		
Balance at the beginning of the period	21,034,163	20,200,206
Shares issued during the year		
- 21,385,924 Shares issued to Antofagasta for 100% interest of Punt Hill tenement	149,702	
- 14,000,000 Shares issued pursuant to resolution for acquisition of option agreement to explore NT mining leases	98,000	
- 14,550,000 Shares issued under Share Purchase Plan	145,500	
- 28,158,294 (June 2015) shares issued under a non renounceable rights issue		591,324
- 14,656,421 (June 2015) shares issued under placement		307,786
- 997 (June 2015) shares issued on exercise of options		42
Less transaction costs arising from issue of shares net of tax	(14,942)	(65,195)
Balance at end of period	21,412,423	21,034,163

As at 31 December 2015, there were 1,750,000 (June 2015: 23,156,397) unissued shares for which the following options and right were outstanding.

- o 225,000 unlisted options exercisable at \$0.051 by 28 July 2016
- o 325,000 unlisted options exercisable at \$0.053 by 23 July 2017
- o 1,200,000 unlisted options exercisable at \$0.026 by 12 May 2020

13 Events subsequent to reporting date

Other than detailed below, there has not arisen in the interval between 31 December 2015 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years.

- In February 2016, the Company raised \$60,000 through a share placement for maiden drilling at Mount Ringwood and working capital purposes.
- In March 2016, the Company raised \$138,007 through a share placement for maiden drilling at Mount Ringwood and working capital purposes.

Monax Mining Limited and Controlled Entities
Condensed Notes to the Financial Statements
For the half-year ended 31 December 2015

14 *Going Concern*

The financial report has been prepared on the basis of going concern.

The Consolidated Entity incurred a net loss of \$435,664. For the half-year ended 31 December 2015 there was a net cash outflow of \$832,596 from operations and investing activities. The Consolidated Entity's planned expenditure exceeds its current cash held and the Group continues to be reliant on the completion of a capital raising for continued operations and the provision of working capital.

If the additional capital is not obtained, the going concern basis may not be appropriate with the result that the company and consolidated entity may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business in amounts different from those stated in the financial report.

Monax Mining Limited and Controlled Entities

Directors' Declaration

For the half-year ended 31 December 2015

Directors' declaration

The Directors of the Company declare that:

- (a) the half-year financial statements and notes, set out on pages 5 to 17, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2015 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting;
- (b) 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.

Dated atAdelaide..... this9th... day ofMarch..... 2016.

This declaration is made in accordance with a resolution of the directors:



Robert Michael Kennedy
Director

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67 Greenhill Rd
Wayville SA 5034

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MONAX MINING LIMITED

We have reviewed the accompanying half-year financial report of Monax Mining Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both 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 Monax Mining Limited 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Monax Mining Limited consolidated entity’s financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Monax Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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 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 Monax Mining Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding going concern

Without qualifying our conclusion expressed above, we draw attention to Note 14 of the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$435,664 and a net cash outflow of \$832,596 from operating and investing activities during the period ended 31 December 2015. These conditions, along with other matters as set forth in Note 14, indicate the existence of a material uncertainty which 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, and at the amounts stated in the half-year financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Sheenagh Edwards

Sheenagh Edwards
Partner - Audit & Assurance

Adelaide, 9 March 2016