

For personal use only



## **Financial Report**

**Half-year ended 31 December 2016**

**Nagambie Resources Limited  
and Controlled Entities**

## Corporate Directory

**NAGAMBIE RESOURCES LIMITED** ABN 42 111 587 163  
**CLONBINANE GOLDFIELD PTY LTD** ACN 160 928 932  
**NAGAMBIE DEVELOPMENTS PTY LTD** ABN 37 130 706 311  
**NAGAMBIE LANDFILL PTY LTD** ABN 90 100 048 075

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

533 Zanelli Road  
 Nagambie Vic 3608  
 PO Box 339  
 Telephone: (03) 5794 1750  
 Website: [www.nagambieresources.com.au](http://www.nagambieresources.com.au)  
 Email: [info@nagambieresources.com.au](mailto:info@nagambieresources.com.au)

### DIRECTORS

Michael W Trumbull (Executive Chairman)  
 Geoffrey R Turner (Non-Executive Director – Exploration)  
 Kevin J Perrin (Non-Executive Director – Finance)

### CHIEF EXECUTIVE OFFICER

James C Earle

### COMPANY SECRETARY

Alfonso M G Grillo

### PRINCIPAL LEGAL ADVISER

GrilloHiggins Lawyers  
 Level 20, 31 Queen Street  
 Melbourne Vic 3000  
 Telephone: (03) 8621 8881  
[www.grillohiggins.com.au](http://www.grillohiggins.com.au)

### AUDITOR

William Buck Audit (VIC) Pty Ltd  
 Level 20, 181 William Street  
 Melbourne Vic 3000

### SHARE REGISTRY

Advanced Share Registry Limited  
 150 Stirling Highway  
 Nedlands WA 6009  
 Telephone: (08) 9389 8033

### SECURITIES EXCHANGE LISTING

Nagambie Resources Limited shares are listed  
 on the Australian Securities Exchange  
 ASX code: NAG

## Table of Contents

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	12
Independent Auditor's Report	13

For personal use only

## Directors' Report

The Directors of Nagambie Resources Limited (the Company) submit herewith the Financial Report of the Company and its controlled entities (the Group) for the half-year ended 31 December 2016.

### Directors

The names of the Directors in office during the half-year and until the date of this report are:

Michael W Trumbull	(Executive Chairman)
Geoffrey R Turner	(Non-Executive Director – Exploration)
Kevin J Perrin	(Non-Executive Director – Finance)

### Principal activities

The principal activities of the group during the financial period were the investigation and development of waste handling assets and the exploration for, and development of, gold, associated minerals, and construction materials in Australia.

### Review of operations

The loss of the Group for the half-year ended 31 December 2016 after income tax amounted to \$840,624 compared to a loss of \$315,201 for the 2015 half-year, an increase of \$525,423. Significantly there was a large non-cash charge during the half-year of \$497,570 that flowed from the value placed on the options issued during the period.

### PASS Project

Backfilling of the Nagambie Mine pits with PASS material from Melbourne construction sites, and the subsequent capping of the PASS material with clay, will greatly enhance the rehabilitation of the old mine site, will result in significant investment and employment opportunities in the Nagambie area, and will be a strong revenue base for the Company.

Subsequent to the half-year, the Company has tendered for the management in CY 2017 of the significant quantity of PASS material in the Pre-Works portion of the Melbourne Metro Rail Project.

### Gold Projects

An aeromagnetic survey was flown over 550 sq km of Nagambie Resources' exploration tenements in the Nagambie region during the half-year. Six new East-West trending structures were identified, bringing to 13 such structures that have the potential to host gold mineralisation.

Interpretation of publicly available gravity imagery has shown that deep crustal faults also exist beneath the East-West structures. These faults affect the deep basement volcanic rocks which are believed to be the source of the gold mineralisation.

Very significantly, all the known gold mineralisation in the region is now known to be coincident with the intersection of the deep, gravity-interpreted faults and the more shallow, aeromagnetic-interpreted structures.

The Company's gold exploration strategy has been modified as a result to target the structural intersections, allowing for greater focus and more efficient use of exploration funds. To date, Nagambie Resources has identified 25 such structural intersections, of which 16 have been selected for immediate investigation.

### Quarrying Operations

The three-year quarry contractor agreement with Nagambie Crushed Rock and Stone Supplies Pty Ltd expired on 24 December 2016. Nagambie Resources now controls all quarrying operations at the Nagambie Mine and promptly secured a gravel contract with the Strathbogie Shire for a total value of \$329,450 (including GST) and is currently tendering for another significant contract.

For personal use only

Commissioning of a hired crushing and screening unit was completed in January 2017 and deliveries of 20mm minus road-topping gravel to the Strathbogie Shire commenced on 2 February 2017

**Auditor's independence declaration**

The auditor's independence declaration is attached to this directors' report.

Signed in accordance with a resolution of directors.

On behalf of the directors



Michael W Trumbull  
Executive Chairman

Melbourne  
15 March 2017

For personal use only

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NAGAMBIE RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136

A handwritten signature in black ink, appearing to read 'N. S. Benbow'.

**N. S. Benbow**

Director

Dated this 15th day of March, 2017

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

[williambuck.com](http://williambuck.com)

**Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Rental income	<b>90,331</b>	75,425
Sale of non-gold materials	<b>74,053</b>	27,233
Other income	<b>28,981</b>	21,734
<b>Total Revenue</b>	<b>193,365</b>	124,392
<b>Expenses</b>		
Corporate expenses	<b>(353,620)</b>	(220,852)
Depreciation and amortisation	<b>(11,291)</b>	(5,600)
Directors and employee benefits expense	<b>(508,750)</b>	(102,481)
Finance costs	<b>(106,206)</b>	(110,660)
Impairment of exploration and evaluation assets	<b>(54,122)</b>	-
<b>Total Expenses</b>	<b>(1,033,989)</b>	(439,593)
<b>Loss before income tax</b>	<b>(840,624)</b>	(315,201)
Income tax benefit	-	-
<b>Loss for the period</b>	<b>(840,624)</b>	(315,201)
Other comprehensive income	-	-
<b>Total comprehensive income for the period attributable to the owners</b>	<b>(840,624)</b>	(315,201)
<b>Loss per share</b>		
Basic and diluted loss per share in cents	<b>(0.23)</b>	(0.09)

The accompanying notes form part of these financial statements

For personal use only

## Statement of Financial Position as at 31 December 2016

	Note	Consolidated	
		31 Dec 2016 \$	30 Jun 2016 \$
<b>Current assets</b>			
Cash and cash equivalents		445,241	318,594
Trade and other receivables		54,022	27,984
Prepayments		23,966	-
<b>Total current assets</b>		<b>523,229</b>	<b>346,578</b>
<b>Non-current assets</b>			
Security deposits		669,161	612,449
Property, plant and equipment		425,550	71,939
Exploration and evaluation assets	2	8,320,690	7,627,371
<b>Total non-current assets</b>		<b>9,415,401</b>	<b>8,311,759</b>
<b>Total assets</b>		<b>9,938,630</b>	<b>8,658,337</b>
<b>Current liabilities</b>			
Trade and other payables		342,133	166,136
Borrowings	3	655,465	1,101,683
Provisions		20,359	23,388
<b>Total current liabilities</b>		<b>1,017,957</b>	<b>1,291,207</b>
<b>Non-current liabilities</b>			
Borrowings	3	1,601,091	934,000
Provisions		7,704	6,198
<b>Total non-current liabilities</b>		<b>1,608,795</b>	<b>940,198</b>
<b>Total liabilities</b>		<b>2,626,752</b>	<b>2,231,405</b>
<b>Net assets</b>		<b>7,311,878</b>	<b>6,426,932</b>
<b>Equity</b>			
Issued capital	4	20,250,857	19,018,777
Reserves		846,495	353,005
Accumulated losses		(13,785,474)	(12,944,850)
<b>Total equity</b>		<b>7,311,878</b>	<b>6,426,932</b>

The accompanying notes form part of these financial statements

For personal use only

**Statement of Changes in Equity  
for the half-year ended 31 December 2016**

	Consolidated			Total \$
	Issued capital \$	Options reserve \$	Accumulated losses \$	
<b>Balance at 1 July 2015</b>	17,714,489	355,924	(12,404,560)	5,665,853
Shares issued	778,000	-	-	778,000
Share issue costs	(1,789)	-	-	(1,789)
Recognition of share based payments	-	115,000	-	115,000
Transfer value of options exercised	18,000	(18,000)	-	-
Transfer value of options lapsed	-	(79,159)	79,159	-
Total comprehensive income	-	-	(315,201)	(315,201)
<b>Balance at 31 December 2015</b>	18,508,700	373,765	(12,640,602)	6,241,863
<b>Balance at 1 July 2016</b>	<b>19,018,777</b>	<b>353,005</b>	<b>(12,944,850)</b>	<b>6,426,932</b>
Shares issued	1,243,000	-	-	1,243,000
Share issue costs	(15,000)	-	-	(15,000)
Recognition of share based payments	-	497,570	-	497,570
Transfer value of options exercised	4,080	(4,080)	-	-
Total comprehensive income	-	-	(840,624)	(840,624)
<b>Balance at 31 December 2016</b>	<b>20,250,857</b>	<b>846,495</b>	<b>(13,785,474)</b>	<b>7,311,878</b>

The accompanying notes form part of these financial statements

For personal use only

**Statement of Cash Flows  
for the half-year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	<b>183,874</b>	117,358
Payments to suppliers and employees	<b>(241,807)</b>	(243,002)
Interest received	<b>9,491</b>	8,532
Interest paid	<b>(104,729)</b>	(105,157)
<b>Net cash used in operating activities</b>	<b>(153,171)</b>	(222,269)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	<b>(275,970)</b>	(896)
Payments for exploration expenditure	<b>(747,441)</b>	(515,765)
Payments for security bonds	<b>(56,712)</b>	-
<b>Net cash used in investing activities</b>	<b>(1,080,123)</b>	(516,661)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<b>780,000</b>	778,000
Payment of share issue costs	<b>(15,000)</b>	(1,789)
Proceeds from issue of convertible notes	<b>600,000</b>	520,000
Repayment of convertible notes	-	(309,000)
Repayment of borrowings	<b>(5,059)</b>	-
<b>Net cash provided by financing activities</b>	<b>1,359,941</b>	987,211
<b>Net increase in cash and cash equivalents</b>	<b>126,647</b>	248,281
Cash and cash equivalents at the beginning of the financial period	<b>318,594</b>	194,527
<b>Cash and cash equivalents at the end of the financial period</b>	<b>445,241</b>	442,808

For personal use only

## Notes to the Financial Statements for the half-year ended 31 December 2016

### 1. Significant accounting policies

#### Reporting Entity

Nagambie Resources Limited (Nagambie Resources or the Company) is a company domiciled in Australia. The half-year financial report of the Company as at and for the half-year ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the Group).

#### Statement of Compliance

These general purpose financial statements 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 Reporting Standard *IAS 134 Interim Financial Reporting*.

The half-year financial statements do not include all notes of the type normally included with the Annual Financial Statements. They therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. The half-year financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

#### Basis of preparation

The financial statements have been prepared on an accruals basis using historical cost and the going concern basis of accounting. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the functional and presentation currency of the Company and its controlled entities. Comparative information where necessary has been reclassified in order to achieve consistency in presentation with amounts disclosed in the current period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current reporting period. The adopting of those Standards has not had any impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

#### Going concern

For the half-year ended 31 December 2016 the consolidated net loss was \$840,624 (2015: \$315,201). The net cash outflows used in operations for the half-year were \$153,171 (2015: \$222,269). The Group had a net working capital deficiency of \$494,728 (2015: \$130,841).

The Group has cancellable planned exploration expenditure under its leased tenements extending to 31 December 2017 of \$684,800 (2016: \$722,300).

The working capital deficiency is due to \$638,683 of Unsecured Series 3 Convertible Notes which mature on 4 May 2017. These Notes were issued at 3 cents each and they are convertible into one ordinary share or repayable at the issue price on the maturity date. As the Company's share price is now above the Note issue price the Directors believe it is unlikely that Note holders will request repayment at the maturity date. However, the Company has written representation from the major holder of the Series 3 Convertible Notes that if the Notes are not converted to shares at maturity and if sufficient cash is not available to meet repayment the Note holder has agreed to extend the term of the Note for a period of at least 12 months from the date of this report or until such earlier time as repayment would not impact on the Company's ability to continue as a going concern.

The directors have assessed the current cash balances available to the entity, along with the operating and capital expenditure plans and expected obligations over the next 12 months. They are mindful of their obligations to ensure that there is adequate working capital available for operations and in this regard the following initiatives are being planned to improve group income:

1. As disclosed at Note 9, subsequent to the end of the reporting period, the company raised \$860,000 from the issue of new shares via a share purchase plan and private placement.
2. The Company has tendered for the management in CY 2017 of the PASS material in the Pre-Works portion of the Melbourne Metro Rail Project;
3. The Company is increasing its stockpiles of gravel products from the East Overburden Dump and is tendering for contracts additional to the current contract with the Strathbogie Shire;
4. The Company is developing a clay mining operation at the Nagambie Mine to supply impermeable clay material to local users;
5. The Company is planning to establish a screening operation on the Heap Leach Pad to produce rock aggregates for concrete manufacturers; and

For personal use only

6. The Company is planning to establish a sand and quartz aggregates operation at the western end of the West Pit.

If necessary, the Group has additional capacity to meet its financial commitments through the following:

- Issue of additional shares and/or convertible notes;
- Reclaiming cash backed environmental bonds for mineral tenements with the Department of Economic Development, Jobs, Transport and Resources and therefore foregoing any capital commitments on those tenements surrendered, and
- Scaling back its administrative and corporate costs, including a reduction in fees payable to directors as far as possible.

This financial report has been prepared on a going concern basis and does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

## 2. Exploration and evaluation assets

	31 Dec 2016 \$	30 Jun 2016 \$
<b>Opening balance</b>	<b>7,627,371</b>	6,818,177
Expenditure for the period	<b>747,441</b>	1,270,872
Impairment charge	<b>(54,122)</b>	(461,678)
<b>Closing balance</b>	<b>8,320,690</b>	7,627,371

During the half-year the Group reassessed the recoverable value of all tenement areas of interest to which exploration costs had been capitalised and an impairment charge of \$54,122 was deemed applicable.

## 3. Borrowings

### Current

Unsecured convertible notes (a)	<b>638,683</b>	1,101,683
Finance leases	<b>16,782</b>	-
<b>Total current borrowings</b>	<b>655,465</b>	1,101,683

### Non-current

Unsecured convertible notes (a)	<b>1,534,000</b>	934,000
Finance leases	<b>67,091</b>	-
<b>Total non-current borrowings</b>	<b>1,601,091</b>	934,000

<b>Total borrowings</b>	<b>2,256,556</b>	2,035,683
-------------------------	------------------	-----------

- (a) The Company currently has 3 series of Unsecured Convertible Notes on issue for a total of \$2,172,683.

Series 2: All repaid or converted during this period

Series 3: 21.289 million Notes issued at 3 cents on 4 May 2012 for a total of \$638,683

Series 4: 18.68 million Notes issued at 5 cents on 15 April 2015 for a total of \$934,000

Series 5: 3.333 million Notes issued at 18 cents on 19 September 2016 for a total of \$600,000

Each series of Convertible Note has the following terms:

- Interest is payable at 10% per annum every six months in arrears after the issue date;
- Convertible on a 1 for 1 basis into ordinary shares in the company at any time prior to the maturity date at the option of the note holder;
- Redeemable for cash in full after 5 years, if not converted;
- Unsecured but rank ahead of shareholders; and

#### 4. Issued Capital

	31 Dec 2016 \$	30 Jun 2016 \$
<b>Issued and paid up capital</b>		
368,279,776 (30 June 2016: 351,238,110) ordinary shares fully paid	20,250,857	19,018,777
<b>During the half-year the following shares were issued:</b>		
14 July 2016: 4,666,666 at 15.0 cents under a placement	700,000	
14 July 2016: 150,000 at 10.0 cents on exercise of options	15,000	
11 August 2016: 250,000 at 10.0 cents on exercise of options	25,000	
1 September 2016: 11,575,000 at 4.0 cents on conversion of Series 2 Convertible Notes	463,000	
30 November 2016: 400,000 at 10.0 cents on exercise of options	40,000	
	1,243,000	

#### 5. Share Options

There were a total of 14,500,000 options issued to directors and employees during the half-year. All options vested immediately on issue. 2,000,000 options were issued with an exercise price of 25.5 cents per share and an expiry date of 4 July 2021. 12,500,000 were issued with an exercise price of 25.0 cents per share and an expiry date of 30 November 2021. All these options were approved at the 2016 AGM. They were valued using a binomial model and the expense was \$497,570.

800,000 options were exercised at 10 cents per share. No options lapsed during the half-year.

#### 6. Segment Information

The Group operates in one principal geographical area – in Australia. The Group carries out the exploration for gold and associated minerals. It is currently developing revenue streams from the sale of construction industry materials located on its freehold land. The Group is also progressing opportunities available from the underwater storage of PASS material from Melbourne construction projects and the development of waste handling facilities.

#### 7. Planned Capital Expenditure

The Group holds various tenements for its mineral exploration activities. These tenements require the Group to meet minimum capital expenditure requirements. In order to satisfy those requirements the Group has to expend \$684,800 for the 12 months ending 31 December 2017. Thereafter it expects to spend approximately \$700,000 every 12 months indexed at CPI for as long as it maintains its current portfolio of tenements.

The tenements also have environmental clauses that require the Group to restore the disturbed area of interest back to a condition that satisfies the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

#### 8. Contingent Liabilities

Apart from the matter mentioned in Note 7, the Group has no contingent liabilities as at 31 December 2016.

#### 9. Events Subsequent to Balance Date

On 9 March 2017 the company announced that a Share Purchase Plan had raised the sum of \$720,000. It also announced that a Private Share Placement had been completed raising a further \$142,000. In total a further 14,366,689 shares will be issued at a price of 6 cents per share.

#### 10. Fair Value Measurement

The Directors are of the view that the carrying value of all amounts detailed in the financial statements for both Financial Assets and Liabilities approximates fair value measurement.

For personal use only

## Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 5 to 11 are 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 2016 and of its performance for the half-year ended on that date; and
  - (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the directors



Michael W Trumbull  
Executive Chairman

Melbourne  
15 March 2017

For personal use only

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NAGAMBIE RESOURCES LIMITED AND CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nagambie Resources Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *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 gives a true and fair view and 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 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 2016 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 Nagambie 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.

#### CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

[williambuck.com](http://williambuck.com)

For personal use only

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NAGAMBIE RESOURCES LIMITED AND CONTROLLED ENTITIES (CONT)***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 Nagambie 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 2016 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the interim financial report, which indicates that the consolidated entity incurred a loss of \$840,624 during the half-year ended 31 December 2016 and, as of that date, the consolidated entity's current liabilities exceed its current assets by \$494,728. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

William Buck

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136



**N. S. Benbow**  
Director

Dated this 15th day of March, 2017

For personal use only