

# **Adelaide Resources Limited**

(ACN 061 503 375)

## **FINANCIAL REPORT**

### **For the Half-Year Ended**

### **31 December 2014**

#### **INDEX**

	Page
Directors' report	2
Auditor's independence declaration	7
Condensed consolidated statement of profit or loss and other comprehensive income	8
Condensed consolidated statement of financial position	9
Condensed consolidated statement of changes in equity	10
Condensed consolidated statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	15
Independent review report	16

## Directors' Report

The names of the Directors of the company during the half-year and as at the date of this report are:

**Colin G Jackson** (appointed 23 February 2015) MSc, BSc (Hons), DIC, Grad Dip Bus Admin  
Chairman

**Christopher G Drown** BSc (Hons), MAusIMM, MAICD  
Managing Director

**Nicholas J Harding** (appointed 23 February 2015) FCPA, F Fin, AGIA, ACIS  
Executive Director and Company Secretary

**Jonathan P Buckley** BEc, SF Fin, GAICD  
Non Executive Director and Audit Committee Chairman

Michael I Hatcher retired as Chairman on 23 February 2015 and John J den Dryver resigned as a Non-Executive Director on 25 November 2014.

## Operating and Financial Review

### Strategy

To achieve the goal of growing shareholder wealth, Adelaide Resources' directors are pursuing a strategy comprising the following key principles:

- The Company will maintain a strong commodity focus on copper and gold. Directors believe the outlook for copper and gold remains positive, and believe these are commodities well suited to Adelaide Resources. The two metals occur naturally together in several of the Company's key projects, and the capital cost of developing a gold or copper mine of a size that would transform the Company is within its financial capacity;
- The Company's Board believes it is in shareholders' best interests to retain maximum equity in its tier one projects and consequently seeks to self-fund exploration programs on these projects when equity markets allow. The Board will contemplate third party investment in a tier one project if it believes the consequent loss of shareholder equity is more than compensated by increased financial certainty and project de-risking that may accrue;
- The Company will pursue opportunities which have potential to unlock value in its other mineral assets, and will maintain an active lookout for quality new gold and copper projects in Australia and overseas;
- The Company will build shareholder wealth while adhering to principles of good corporate governance, caring for its employees, conducting its operations in an environmentally sensitive manner, and maintaining respect for other stakeholders and for the communities in which it operates.

## **Financial Results**

The company ended the half-year with a loss of \$1,101,602 (2013: \$775,551). Cash and cash equivalents at 31 December 2014 was \$1,731,047.

Exploration expenditure for the half-year was \$533,784, the bulk of which was directed to the Moonta Copper-Gold Project. Net administration expenses and employee benefits for the half year totalled \$619,398 which is inclusive of valuation costs of performance rights provided to employees under the Company's Performance Rights Plan.

During the half-year ended 31 December 2014 the Company undertook a 1 for 2 non-renounceable Rights Issue which was completed in November 2014 at an issue price of 3.0 cents per share which raised \$1,227,259 before costs. On 30 January 2015 a further \$1,008,000 was raised at the same issue price of 3.0 cents through the part placement of the shortfall to the Rights Issue.

## **Exploration Activities**

In the half year ended 31 December 2014 Adelaide Resources continued its exploration effort with programs of on-ground work undertaken at the Moonta Copper Gold Project in South Australia, the Drummond Epithermal Gold Project in Queensland, and the Eyre Peninsula Gold Project in South Australia.

### ***Moonta Copper Gold Project***

The Alford West Prospect, located in the northern part of the Moonta Copper Gold Project tenement, has returned numerous intersections of copper-gold-molybdenum mineralisation in drilling completed over the past two years and so remains a focus for the company's exploration activities. Alford West is a large mineralised system which includes four zones of better grade that show potential to contribute to a mineral resource. These four zones are called Larwood, Bruce, Six Ways and Blue Tongue.

During the half year an eight hole, 883 metre drill program was undertaken to trial slimline reverse circulation drill methods and to test for down-dip extensions to mineralisation at the Bruce, Larwood and Six Ways Zones.

At Bruce Zone, an un-bottomed intersection of 22 metres at 1.00% copper from 101 metres, including 18 metres at 1.14% copper in ALWAC291, confirmed that significant primary grades are present at depth. A second hole at Bruce, ALWAC289, intersected 24 metres at 0.73% copper from 95 metres downhole, including 15 metres at 1.00% copper from 97 metres.

At Larwood Zone, hole ALWAC295 intersected 8 metres at 0.68% copper and 0.15g/t gold from 75 metres, and 27 metres at 0.37% copper and 0.09g/t gold from 94 metres. Also at Larwood, hole ALWAC296 returned a main intersection of 17 metres at 0.45% copper and 0.14g/t gold from 89 metres downhole.

At Six Ways Zone, the sudden high inflow of saline ground water caused the abandonment of ALWAC294 at a depth of 99 metres. ALWAC294 intersected minor zones of anomalous copper and lead, but failed to achieve a significant intersection.

The drilling program established that attractive grades of mineralisation persist to depth at Alford West, confirming that higher primary grades of metal are present and that high grade intersections are not always a consequence of supergene enrichment processes.

Digital capture of historical exploration data continued throughout the half year. This exercise revealed a number of significant prospects including West Doora, Doora and Vulcan, all located generally south and southwest of Kadina.

Better historic drill intersections at West Doora include 12.80 metres at 2.07% copper from 83.2 metres in DDH 65, and 83.52 metres at 0.73% copper from 48.46 metres in DDH 107. 3-D Modeling of the historic West Doora drill data shows copper mineralisation occurs in two main zones. The Eastern Zone is interpreted to be a series of stacked narrow lodes, while the Western Zone includes a thick mineralised body with internal zones that reach horizontal widths of up to 50 metres.

Historic drill intersections at Doora include 7.92 metres at 1.79% copper from 379.48 metres in DDH 7A, and 3.66 metres at 5.40% copper from 190.73 metres in DDH 35. Historic data also includes a shallow intersection of 20 metres at 0.75% copper and 0.33g/t gold from 10 metres in MP 674 at Vulcan.

Field portable XRF soil geochemical sampling also continued across the Moonta Copper Gold Project tenement.

### ***Drummond Epithermal Gold Project***

The company completed a program of surface exploration on the 100% owned Drummond Epithermal Gold Project in Queensland, with the objective of clearly defining gold targets to be drill tested in 2015.

At the South West Limey Dam prospect, an FPXRF soil geochemistry survey has delineated a coherent, large, and high magnitude gold pathfinder (arsenic) anomaly. A western sub-zone within the arsenic anomaly has a strike length of 1200 metres and is associated with an outcropping quartz vein system displaying high level epithermal characteristics. An eastern sub-zone has dimensions of 650 metres by 350 metres.

Surface rock chip assays from the north end of the South West Limey Dam prospect include results of 9.32g/t gold, 6.33g/t gold, 2.75g/t gold, 2.41g/t gold, 1.86g/t gold and 1.33g/t gold, adding to the exceptional 2013 result of 55.4g/t gold.

Taken together the South West Limey Dam arsenic anomaly and the gold-bearing rock chips define a classic epithermal target of substantial dimension. The company was awarded up to \$100,000 under the Queensland Government's Collaborative Drilling Initiative to co-fund a drilling program at South West Limey Dam, with the drilling planned for completion in 2015.

The company also increased its land position in the Drummond Basin from 196 sq km to 270 sq km following the granting of EPMA 25660 adjacent to the initial project licence EPM 18090.

### ***Eyre Peninsula Gold Project***

A successful research and development biogeochemistry sampling program was completed on the company's Eyre Peninsula tenements. The program commenced in 2014, with results released on

11 February 2015. The research was designed to determine if analysis of eucalypt mallee leaves could be used to identify areas of known underlying gold mineralisation at the 100% owned Baggly Green gold prospect on the Eyre Peninsula.

The results confirm that concentrations of gold, silver and some other metals in the leaves of eucalypts growing above sub-surface mineralisation are at anomalous levels, suggesting that biogeochemistry shows promising potential for wider application across the Eyre Peninsula Project.

In August 2014, Adelaide Resources and Investigator Resources Limited (IVR) entered into the Thurlga Joint Venture, a farm-in and joint venture agreement, to explore one of the company's Eyre Peninsula tenements for mineral deposits related to the widespread 1590Ma Gawler Range Volcanic/Hiltaba tectonothermal event. The tenement the subject of the Thurlga Joint Venture secures 333 square kilometres of ground on the northern Eyre Peninsula. IVR will manage the Joint Venture during the earn-in stage, and while ever it holds majority equity.

The terms of the Thurlga Joint Venture require IVR to spend \$200,000 prior to 16 August 2015 before it can withdraw from the Joint Venture. IVR can then earn a 75% equity interest in the Joint Venture through the total expenditure of \$750,000 by 30 June 2017. Once IVR has earned a 75% equity interest, further Joint Venture expenditure contributions will be pro-rata, or else a non-contributing party's equity will be diluted using the standard industry dilution formula. Should a party's equity in the Joint Venture fall to 5%, its share will be automatically acquired by the other party in exchange for a 1% NSR Royalty.

Airborne magnetic and radiometric surveying, and aerial photography were completed over the Thurlga Joint Venture tenement in the half year.

### ***Rover Gold Copper Project***

Modelling and assessment of historical exploration data from the Rover 4 deposit on the Rover Gold Copper Project, located near Tennant Creek in Northern Territory, was completed.

## **Outlook and Future Developments**

The planned exploration program for the second half of the 2014/15 financial year includes:

- A program of further aircore drilling at the Bruce and Six Ways Zones at Alford West and testing Tomahawk FPXRF copper geochemical anomaly on the Moonta Copper Gold Project;
- A program of reverse circulation or diamond drilling to test the depth extent and gauge the resource potential of the Larwood and Bruce Zones at Alford West on the Moonta Copper Gold Project;
- On-going programs of FPXRF surface soil geochemistry and the continuing digital capture of historical exploration data across the Moonta Copper Gold Project to delineate the next generation of prospects and drill targets;
- A program of reverse circulation drilling to test the South West Limey Dam Prospect on the Drummond Epithermal Gold Project in North Queensland;
- further rock chip sampling and FPXRF soil geochemistry on the Drummond Epithermal Gold Project;

- completion of field trails to research the potential use of biogeochemical sampling as an exploration method on the Eyre Peninsula Gold Project;
- programs of airborne geophysics and soil geochemistry on the Thurlga Joint Venture on the Eyre Peninsula;
- evaluating options to deliver value from the Rover Gold Copper Project in the Northern Territory.

#### **Competent Person Statement**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drown is employed by Drown Geological Services Pty Ltd and consults to the Company on a full time basis. Mr Drown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify 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 Drown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

#### **Subsequent Events**

On 22 January 2015 the Company issued 825,000 ordinary shares on the vesting of some of the performance rights issued to staff and contractors in 2014 under the Adelaide Resources Staff Performance Rights Plan.

On 30 January 2015 the Company raised \$1,008,000 through the issue of 33,600,000 ordinary shares at 3.0 cents per share and 16,800,000 listed options under the part placement of the shortfall relating to the 1 for 2 non-renounceable Rights Issue.

Other than above, there have been no matters or circumstances which have arisen since the end of the half-year which significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or state of affairs of the consolidated entity in future financial years.

#### **Auditor's Independence Declaration**

The auditor's independence declaration is included on page 7 of the half year financial report.

Dated at Adelaide this 13<sup>th</sup> day of March 2015 and signed in accordance with a resolution of the directors.



CG Drown  
Managing Director



J P Buckley  
Non-Executive Director

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

11 Waymouth Street  
Adelaide SA 5000  
GPO Box 1969  
Adelaide SA 5001 Australia

Tel: +61 8 8407 7000  
Fax: +61 8 8407 7003  
www.deloitte.com.au

The Board of Directors  
Adelaide Resources Limited  
69 King William Road  
UNLEY SA 5061

13 March 2015

Dear Board Members

**Adelaide Resources Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Adelaide Resources Limited.

As lead audit partner for the review of the financial statements of Adelaide Resources Limited for the year-half ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Stephen Harvey  
Partner  
Chartered Accountants

**Condensed Consolidated Statement of Profit or Loss and Other  
Comprehensive Income  
for the Half-Year ended 31 December 2014**

	Half-Year Ended 31/12/14	Half-Year Ended 31/12/13
	\$	\$
Revenue (Bank interest)	21,901	60,210
Other income (Note 2)	126,953	-
Exploration expenditure written-off (Note 3)	(589,266)	(161,686)
Administration expenses	(228,573)	(263,034)
Corporate consulting expenses	(157,151)	(128,378)
Company promotion	(24,341)	(40,373)
Salaries and wages	(40,201)	(68,079)
Directors fees	(52,274)	(59,644)
Occupancy expenses	(42,296)	(42,011)
Share based remuneration	(74,562)	(50,380)
	<hr/>	<hr/>
<b>Loss before income tax</b>	<b>(1,059,810)</b>	<b>(753,375)</b>
Income tax expense	(41,792)	(22,176)
	<hr/>	<hr/>
<b>Loss for the period</b>	<b>(1,101,602)</b>	<b>(775,551)</b>
	<hr/>	<hr/>
<b>Other comprehensive income</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the period (loss)</b>	<b>(1,101,602)</b>	<b>(775,551)</b>
	<hr/> <hr/>	<hr/> <hr/>
Earnings Per Share		
Basic (cents per share) – (Loss)	(0.46)	(0.35)
Diluted (cents per share) – (Loss)	(0.46)	(0.35)

*The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2014**

	31/12/14 \$	30/06/14 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,731,047	1,376,050
Trade and other receivables	46,566	219,542
<b>TOTAL CURRENT ASSETS</b>	1,777,613	1,595,592
<b>NON CURRENT ASSETS</b>		
Exploration and evaluation expenditure	10,423,157	10,478,639
Plant and equipment	99,620	177,347
Other financial assets	92,500	92,500
<b>TOTAL NON CURRENT ASSETS</b>	10,615,277	10,748,486
<b>TOTAL ASSETS</b>	12,392,890	12,344,078
<b>CURRENT LIABILITIES</b>		
Trade and other payables	160,076	195,507
Provisions	18,817	38,447
<b>TOTAL CURRENT LIABILITIES</b>	178,893	233,954
<b>NON-CURRENT LIABILITIES</b>		
Provisions	44,532	47,975
Other liabilities	270,744	270,744
<b>TOTAL NON-CURRENT LIABILITIES</b>	315,276	318,719
<b>TOTAL LIABILITIES</b>	494,169	552,673
<b>NET ASSETS</b>	11,898,721	11,791,405
<b>EQUITY</b>		
Issued capital	35,192,500	34,058,144
Reserves	1,587,265	1,512,703
Accumulated losses	(24,881,044)	(23,779,442)
<b>TOTAL EQUITY</b>	11,898,721	11,791,405

*The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

### Condensed Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2014

	Issued capital	Employee Equity- Settled Benefits Options	Employee Equity- Settled Benefits Performance Rights	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	32,259,378	1,082,197	392,529	(17,094,988)	16,639,116
Loss attributable to the period	-	-	-	(775,551)	(775,551)
Total comprehensive income for the period	-	-	-	(775,551)	(775,551)
Issue of share capital through a share purchase plan at 7.5 cents	1,760,500	-	-	-	1,760,500
Costs associated with the issue of shares	(73,920)	-	-	-	(73,920)
Related income tax	22,176	-	-	-	22,176
Fair value of performance rights issued to employees	-	-	50,380	-	50,380
Shares issued as a result of the vesting of performance rights	93,869	-	(93,869)	-	-
Balance at 31 December 2013	<u>34,062,003</u>	<u>1,082,197</u>	<u>349,040</u>	<u>(17,870,539)</u>	<u>17,622,701</u>
Balance at 1 July 2014	34,058,144	1,082,197	430,506	(23,779,442)	11,791,405
Loss attributable to the period	-	-	-	(1,101,602)	(1,101,602)
Total comprehensive income for the period	-	-	-	(1,101,602)	(1,101,602)
Issue of share capital through a rights issue at 3.0 cents	1,227,259	-	-	-	1,227,259
Costs associated with the issue of shares	(139,308)	-	-	-	(139,308)
Related income tax	41,792	-	-	-	41,792
Fair value of performance rights issued to employees	-	-	74,562	-	74,562
Shares issued to directors as part payment of director fees	3,000	-	-	-	3,000
Shares issued on the exercise of listed options	1,613	-	-	-	1,613
Balance at 31 December 2014	<u>35,192,500</u>	<u>1,082,197</u>	<u>505,068</u>	<u>(24,881,044)</u>	<u>11,898,721</u>

*The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Cash Flows for the  
Half-Year ended 31 December 2014**

	Half-Year Ended 31/12/14 Inflows (Outflows) \$	Half-Year Ended 31/12/13 Inflows (Outflows) \$
<b>Cash flows related to operating activities</b>		
Payments to suppliers and employees	(532,489)	(549,885)
<b>Net operating cash flows</b>	(532,489)	(549,885)
<b>Cash flows related to investing activities</b>		
Interest received	22,817	45,615
Payments for exploration and evaluation expenditure	(535,493)	(966,219)
Proceeds received from R&D claim	161,967	-
Proceeds from sale of plant and equipment	150,000	-
Payments for plant and equipment	-	(22,773)
<b>Net investing cash flows</b>	(200,709)	(943,377)
<b>Cash flows related to financing activities</b>		
Proceeds from share issues	1,228,871	1,760,500
Payment for share issue costs	(140,676)	(91,814)
<b>Net financing cash flows</b>	1,088,195	1,668,686
<b>Net (decrease)/increase in cash and cash equivalents</b>	354,997	175,424
<b>Cash and cash equivalents at beginning of financial period</b>	1,376,050	2,771,346
<b>Cash and cash equivalents at end of financial period</b>	1,731,047	2,946,770

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Notes to the financial statements

Half-Year ended 31 December 2014

### 1. BASIS OF PREPARATION OF ACCOUNTS

This half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2014 annual financial report.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

### 2. OTHER INCOME

	Half-Year Ended 31/12/14 \$	Half-Year Ended 31/12/13 \$
Profit on sale of assets	126,578	-
Other	375	-
	<u>126,953</u>	<u>-</u>

### 3. EXPLORATION AND EVALUATION EXPENDITURE

	Half-Year Ended 31/12/14 \$	Half-Year Ended 31/12/13 \$
Costs brought forward	10,478,639	13,919,310
Expenditure incurred during the year	533,784	826,108
	<u>11,012,423</u>	<u>14,745,418</u>
Expenditure written off	(589,266)	(161,686)
	<u>10,423,157</u>	<u>14,583,732</u>

Expenditure written off relates to exploration and evaluation expenditure associated with tenements or parts of tenements that have been, or are likely to be, surrendered \$589,266 (2014: \$161,686).

The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### **4. ISSUE OF SECURITIES**

During the half-year ended 31 December 2014, 40,908,622 shares were issued as a result of a Rights Issue. In addition, 100,000 shares were issued to directors as part payment of their December 2014 director fees and 27,217 shares were issued through the exercise of listed share options by shareholders during the 6 months to 31 December 2014.

During the half-year ended 31 December 2013, 23,473,369 shares were issued as a result of a share purchase plan. In addition, 450,834 shares were issued on the conversion of performance rights issued to staff under the Employee Performance Rights Plan that vested during the 6 months to 31 December 2013.

During the half-year ended 31 December 2014, 20,454,354 listed share options were issued over ordinary shares as part of the Rights Issue (2013: Nil).

During the half-year ended 31 December 2014, 750,000 performance rights to shares were issued (2013: nil), no performance rights vested (2013: 450,834) and 2,250,000 performance rights lapsed as not meeting their issue conditions (2013: 235,000).

#### **5. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities or contingent assets from those disclosed in the annual report for the year ended 30 June 2014.

#### **6. SEGMENT INFORMATION**

The Group has a number of exploration licenses in Australia which are managed on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash reserves, technical data and the expectations of future metal prices. Accordingly, the Group effectively operates as one segment, being exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

#### **7. SUBSEQUENT EVENTS**

On 22 January 2015 the Company issued 825,000 ordinary shares on the vesting of some of the performance rights issued to staff and contractors in 2014 under the Adelaide Resources Staff Performance Rights Plan.

On 30 January 2015 the Company raised \$1,008,000 through the issue of 33,600,000 ordinary shares at 3.0 cents per share and 16,800,000 listed options under the part placement of the shortfall relating to the 1 for 2 non-renounceable Rights Issue.

Other than above, there have been no matters or circumstances which have arisen since the end of the half-year which significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or state of affairs of the consolidated entity in future financial years.

## Directors' Declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to Section 303(5) of the Corporations Act 2001

On behalf of the directors



CG Drown  
Managing Director



J P Buckley  
Non-Executive Director

Adelaide, South Australia  
13<sup>th</sup> March 2015

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

11 Waymouth Street  
Adelaide SA 5000  
GPO Box 1969  
Adelaide SA 5001 Australia

Tel: +61 8 8407 7000  
Fax: +61 8407 7001  
www.deloitte.com.au

## Independent Auditor's Report to the Members of Adelaide Resources Limited

We have reviewed the accompanying half-year financial report of Adelaide Resources Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 15.

### *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 Adelaide 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.

### *Auditor's Independence Declaration*

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 Adelaide Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 Adelaide 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 the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Stephen Harvey  
Partner  
Chartered Accountants  
Adelaide, 13 March 2015