

# **BULLETIN RESOURCES LIMITED**

**ACN 144 590 858**

## **HALF-YEAR FINANCIAL STATEMENTS**

**31 DECEMBER 2014**

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**BULLETIN RESOURCES LIMITED**  
**ACN 144 590 858**

**COMPANY DIRECTORY**

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**CORPORATE INFORMATION**

**DIRECTORS**

Paul Poli	(Director, Chairman)
Frank Sibbel	(Director)
Robert Martin	(Director)
Mick Fitzgerald	(Director) (resigned 12 January 2015)

**COMPANY SECRETARY**

Andrew Chapman

**REGISTERED OFFICE**

Suite 11,  
139 Newcastle Street  
PERTH WA 6000

Telephone: +61 8 9230 3585  
Facsimile: +61 8 9227 0370

**POSTAL ADDRESS**

PO Box 376  
NORTHBRIDGE WA 6865

**AUDITORS**

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

**BANKERS**

Westpac Banking Corporation  
130 Rokeby Road  
SUBIACO WA 6008

**SOLICITORS**

King & Wood Mallesons  
Level 1, QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

**INTERNET ADDRESS**

[www.bulletinresources.com](http://www.bulletinresources.com)

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 557 010  
Facsimile: +61 8 9323 2033

**STOCK EXCHANGE LISTING**

Bulletin Resources Limited's ordinary shares are listed on the Australian Securities Exchange Limited (ASX code: BNR).

**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2014**

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Your Directors submit the financial report of the Company for the half-year ended 31 December 2014.

**DIRECTORS**

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

Paul Poli  
Frank Sibbel  
Robert Martin  
Mick Fitzgerald (resigned 12 January 2015)

**RESULT**

The loss after tax for the half-year ended 31 December 2014 was \$260,834 (31 December 2013 \$822,161).

**REVIEW OF OPERATIONS**

**HALLS CREEK GOLD PROJECT**  
**BULLETIN 20%, PNR 80% (PNR – PROJECT MANAGER)**

There have been a number of advancements in the development of the Nicolson's Gold Project during the half-year. In November Bulletin acknowledged that PNR had earned a further 15% interest by spending \$1.2 million on the project and now hold a 65% interest.

An eleven hole, approximately 2,500m diamond drilling program was completed by PNR in the September quarter at the Nicolson's Project aimed at confirming the existing resource and to provide additional information for use in subsequent mine planning activities.

Highlights of the drilling program included the following gold assays:

NRCD14005 - 3.0m @ 20.43g/t, inc 1.6m @ 34g/t  
NRCD14007 – 1.2m @ 102.92g/t, inc 0.8m @ 149.17g/t  
NRCD14003 - 3.4m @ 13.21g/t, inc 0.36m @ 121g/t  
NRCD14008 – 2.0m @ 43.4g/t, inc 1.4m @ 61.1g/t

In November PNR announced that it had completed its restart estimate for the Nicolson's Gold Project and that the estimate demonstrates a robust project with modest capital requirements and strong operational cashflows targeting production of 30,000oz gold per annum. PNR also declared a maiden probable reserve of 433,455 tonnes at 6.17g/t Au for 86,362 ounces of gold for the project during the quarter.

Key parameters of the restart estimate and project reserve were announced to the market on 10 November and shareholders should refer to that announcement for more details.

Bulletin's estimated share of profits from the project will amount to approximately \$11m at a gold price of \$A1,400/oz. The recent increase in the gold price over and above the restart estimate coupled with expected decrease in costs of labour and fuel augers well for significant increases in expected returns.

Regulatory project permitting for mining at Nicolson's was granted subsequent to the end of the half-year, with environment approvals granted during January 2015, allowing PNR to commence mining activities. Mine dewatering and remediation of the open pit commenced in January 2015 with initial mine development, tailings construction and processing plan refurbishment expected to commence thereafter (refer to PNR ASX release dated 20 January 2015 for further details).

In December Bulletin executed a Heads of Agreement (HOA) with PNR to advance the financing of the Nicolson's Project. A formal agreement was agreed and executed subsequent to the end of the half-year.

**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2014**

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Under the terms of the HOA, PNR will assist Bulletin by seeking to secure 100% of the financing requirements for the Nicolsons Project and to extend the same financing terms to Bulletin. The agreement also provides for PNR making any relevant equity requirements on behalf of Bulletin as a loan to Bulletin repayable after CBA loan draw down occurs.

In return, Bulletin will transfer to PNR a further 15% interest in the Nicolsons Project (taking PNR's share of the project from 65% to 80%) immediately upon availability of drawdown from the CBA loan. PNR will continue to sole fund project expenditure until 1 January 2015, after which Bulletin will contribute pro-rata to project costs in accordance with its 20% interest.

Subsequent to the end of the half-year Bulletin executed a Mandate Letter with the Commonwealth Bank of Australia (CBA) which sets out the terms and conditions for CBA to arrange finance for Bulletin's share of the Nicolsons Gold Project. The funding proposal mandates CBA to complete a Senior Secured Gold Prepaid Forward and Mandatory Hedge Facility (Facility) to allow Bulletin to contribute to its interest in the refurbishment and development of the Nicolsons Gold Project. The value of the Facility is up to A\$2.3 million based on Bulletin owning a 20% interest in the Project. The terms of the CBA proposal are very competitive and it is expected that finalisation of the documentation will occur in due course.

As part of the proposal PNR have agreed to fund Bulletin's share of equity in the Project which will equate to approximately \$700,000 if required until Bulletin completes its financing.

**Warrego North Project**  
**Meteoric 100%, Bulletin 0% and earning up to 70%**

During the half year Bulletin executed a Terms Sheet with Meteoric to earn a 70% interest in Meteoric's Warrego North Project located near Tennant Creek in the Northern Territory via a farm-in arrangement.

The Warrego North project consists of three granted and one application exploration licences near the historical Warrego copper-gold mine (1.3M ozs gold, 91,000t copper), the largest mine in the Tennant Creek mineral field. Previous exploration results have identified several large high magnetic susceptibility targets some with pronounced coincident gravity anomalies similar in character to quartz-magnetite-chlorite ironstones associated with high-grade copper-gold-bismuth mineralisation elsewhere in the mineral field.

Bulletin has executed a Terms Sheet with Meteoric whereby Bulletin will earn a 70% interest in the Warrego North Project by spending \$750,000 within a two (2) year period. Meteoric will be free-carried during the earn-in period.

There is no minimum expenditure required by Bulletin and it can walk away from the Joint Venture at any time within the 2 year period as long as Bulletin keeps the tenements in good standing at all times during the earn-in period.

Bulletin believes this farm-in on a prospective project allows for targeted exploration in which early results will determine whether or not to continue with the farm-in without the Company incurring significant expenditure.

**Corporate**

On 1 October Mr Andrew Chapman was appointed as Company Secretary replacing Mr Craig Nelmes.

On 1 December the Company issued 5,250,000 unlisted options with an exercise price of 3 cents each expiring 30 November 2017 following shareholder approval at the Company's annual general meeting.

On 12 January 2015 Mr Michael Fitzgerald resigned as a director of Bulletin. Mr Fitzgerald was a founding director of Bulletin and recognises Mr Fitzgerald's services to the Company.

**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2014**

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**EVENTS SUBSEQUENT TO REPORTING DATE**

On 20 February 2015 Bulletin announced that it had executed a mandate letter with the Commonwealth Bank of Australia (CBA) to provide finance to Bulletin for its 20% share of the Nicolsons Gold Project. Bulletin has executed a Senior Secured Gold Prepaid Forward and Mandatory Hedge Facility to the value of \$2.3 million.

On 25 February 2015 Bulletin announced a capital raising via a fully underwritten non-renounceable rights issue on a 1 for 4 basis at the issue price of 1.5 cents per share. In addition shareholders will be given the opportunity to apply for additional shares in excess of their entitlement, however, allocations are not guaranteed. The funds raised will go towards meeting the equity component of Bulletin's funding of the redevelopment and commencement of production of the Nicolsons Gold Project.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.



**Paul Poli**  
**Chairman**

Dated this 13<sup>th</sup> day of March 2015

***Halls Creek Tenements – Competent Persons Statement***

The information in this report that relates to exploration and mineral resources is based on information compiled by Mr. Peter Cook (B.Sc. Geol) MAusIMM who is the non-executive chairman of Pacific Niugini Limited. The information in this report that relates to reserves is based on information compiled by Mr. Paul Cmrlec (B.Eng Mining Hons) MAusIMM who is the Managing Director of Pacific Niugini Limited. Mr. Cook and Mr Cmrlec have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cook and Mr Cmrlec consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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

As lead auditor for the review of Bulletin Resources Limited for the half-year ended 31 December 2014,  
I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in  
relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bulletin Resources Limited and the entities it controlled during the  
period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2015

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Half-Year ended 31 December 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Interest received		11,378	4,373
Other income		-	57,026
<b>Other expenses</b>			
Listing and share registry expense		(3,236)	(15,453)
Depreciation		(20,313)	(55,216)
Professional fees		(42,497)	(60,717)
Director fees		(85,270)	(148,551)
Director termination payment		-	(98,377)
Exploration expenditure		(3,024)	(272,815)
Legal fees		(25,808)	(40,595)
Administration expenses		(37,862)	(69,606)
Employee benefit expense		-	(112,423)
Audit fees		(8,844)	(9,806)
Share based payments expense		(45,358)	-
Expenses from operations		<u>(272,212)</u>	<u>(883,559)</u>
<b>Loss from operations before income tax expense</b>		(260,834)	(822,160)
Income tax expense		-	-
<b>Loss after income tax expense for the period</b>		<u>(260,834)</u>	<u>(822,160)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available-for-sale financial assets		(371,248)	-
Total comprehensive loss for the half-year		<u>(371,248)</u>	<u>-</u>
<b>Total comprehensive loss for the period attributable to equity holders of the company</b>		<u>(632,082)</u>	<u>(822,160)</u>
Basic loss per share (cents per share)		<u>(0.21)</u>	<u>(0.65)</u>

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

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2014**

	Note	31 December 2014 \$	30 June 2014 \$
<b>Current Assets</b>			
Cash and cash equivalents		660,386	847,070
Trade and other receivables		-	4,750
<b>Total Current Assets</b>		<u>660,386</u>	<u>851,280</u>
<b>Non-Current Assets</b>			
Available-for-sale financial assets	2	883,924	1,255,172
Plant and equipment		188,943	209,256
Exploration expenditure capitalised		259,635	259,635
<b>Total Non-Current Assets</b>		<u>1,332,502</u>	<u>1,724,063</u>
<b>Total Assets</b>		<u>1,992,888</u>	<u>2,575,883</u>
<b>Current Liabilities</b>			
Trade and other payables		59,979	56,250
<b>Total Current Liabilities</b>		<u>59,979</u>	<u>56,250</u>
<b>Non-Current Liabilities</b>			
Provisions		68,850	68,850
<b>Total Non-Current Liabilities</b>		<u>68,850</u>	<u>68,850</u>
<b>Total Liabilities</b>		<u>128,829</u>	<u>125,100</u>
<b>Net Assets</b>		<u>1,864,059</u>	<u>2,450,783</u>
<b>Equity</b>			
Issued capital	3	13,849,255	13,849,255
Reserves		(323,440)	2,450
Accumulated losses		(11,661,756)	(11,400,922)
<b>Total Equity</b>		<u>1,864,059</u>	<u>2,450,783</u>

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

**STATEMENT OF CHANGES IN EQUITY**  
**For the Half-Year ended 31 December 2014**

	<b>Issued Capital</b>	<b>Other Reserves</b>	<b>Equity Settled Benefits Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>	13,347,704	-	390,250	(12,715,524)	1,022,430
Loss for period attributable to members	-	-	-	(822,160)	(822,160)
Total comprehensive loss for the period	-	-	-	(822,160)	(822,160)
Issue of shares	516,417	-	-	-	516,417
Share issue cost	(14,866)	-	-	-	(14,866)
<b>Balance at 31 December 2013</b>	<b>13,849,255</b>	<b>-</b>	<b>390,250</b>	<b>(13,537,864)</b>	<b>701,821</b>
<b>Balance at 1 July 2014</b>	13,849,255		2,450	(11,400,922)	2,450,783
Comprehensive loss for period attributable to members	-	(371,248)	-	(260,834)	(632,082)
Total comprehensive loss for the period	-	(371,248)	-	(260,834)	(632,082)
Issue of shares	-		-	-	-
Share issue cost	-		-	-	-
Share based payment	-		45,358	-	45,358
<b>Balance at 31 December 2014</b>	<b>13,849,255</b>	<b>(371,248)</b>	<b>47,808</b>	<b>(11,661,756)</b>	<b>1,864,059</b>

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

**STATEMENT OF CASH FLOWS**  
**For the Half Year Ended 31 December 2014**

	<b>31 December 2014 \$</b>	<b>31 December 2013 \$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(196,397)	(538,236)
Interest received	11,378	4,373
Refund of rehabilitation bonds	-	153,142
Other Income	-	50,997
	(185,019)	(329,724)
<b>Cash flows from investing activities</b>		
Payments for exploration expenditure	(1,665)	(466,929)
	(1,665)	(466,929)
<b>Cash flows from financing activities</b>		
Net proceeds from issues of shares, net of share issue cost	-	501,551
Deposit from partial sale and joint venture	-	250,000
	-	751,551
Net decrease in cash and cash equivalents held	(186,684)	(45,102)
Cash and cash equivalents at the beginning of the period	847,070	279,150
Cash and cash equivalents at the end of the period	660,386	234,048

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

## **1. BASIS OF PREPARATION**

- (a) The half year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 Interim Financial Reporting, applicable accounting standards and other mandatory professional reporting requirements.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Bulletin Resources Limited during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The 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 entity as in the full financial report.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2014.

In the half year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2015.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

### **(b) Going Concern**

At 31 December 2014, Bulletin Resources Limited has cash and cash equivalent assets and available-for-sale financial assets of \$1,544,310 (30 June 2014: \$2,102,242). It incurred an operating loss of \$260,384 for the 6 months to 31 December 2014 (period ended 31 December 2013: \$822,161).

As at 31 December 2014, the Company had a 20% interest in the Nicolsons Gold Project in which it was not required to incur expenditure until certain milestones had been met by the Operator, Pacific Niugini Limited (PNR).

*Subsequent to 31 December 2014, the following events have occurred:*

- (i) On 20 February 2015 Bulletin announced that it had executed a mandate letter with the Commonwealth Bank of Australia (CBA) to provide finance to Bulletin for its 20% share of the Nicolsons Gold Project. Bulletin has executed a Senior Secured Gold Prepaid Forward and Mandatory Hedge Facility to the value of \$2.3 million with the first repayment due in November 2015. A condition of the financing is that Bulletin is required to fund its share of the equity component, being \$654,000.
- (ii) As a result of the above financing transaction Bulletin is required to commit to joint venture expenditure from 1 January 2015;
- (iii) PNR, via the Operator Halls Creek Mining Pty Ltd, is pushing forward with the redevelopment of the Nicolsons Gold Project with production expected to commence mid-2015;
- (iv) On 25 February 2015 Bulletin announced a capital raising via a fully underwritten non-renounceable rights issue on a 1 for 4 basis at the issue price of 1.5 cents per share. In addition shareholders will be given the opportunity to apply for additional shares in excess of their entitlement, however, allocations are not guaranteed. The funds raised will go towards meeting the equity component of Bulletin's funding of the redevelopment and commencement of production of the Nicolsons Gold Project.

Based on the above the preparation of these financial statements on a going concern basis is appropriate.

Should the cost of the Nicolson's Gold Project redevelopment be greater than expected or there are delays in commencement of production and sale of product the Company will be required to raise additional finance through debt or equity in order to meet its commitments under its current debt facility and/or for working capital. If the Company is unable to do so it may cast doubt on the company's ability 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 these half-year financial statements.

## 2. AVAILABLE-FOR-SALE FINANCIAL ASSETS

- (a) The Company has a 4.5% (2013: Nil) interest Pacific Niugini Limited (PNR), which is involved in exploration of gold and base metals in Australia and Papua New Guinea and is the Company's joint venture partner in the Nicolson's Gold Project. PNR is listed on the Australian Securities Exchange.

At the end of the period the fair value of the investment was lower than the carrying value, the Company has therefore recognised a fair value adjustment of \$371,248 which has been recorded within equity (31 December 2013: Nil).

	<b>31 Dec 14</b>	<b>30 Jun 14</b>
	<b>\$</b>	<b>\$</b>
<b>3. ISSUED CAPITAL</b>		
128,567,761 (30 June 2014:128,567,761) ordinary shares	13,849,255	13,849,255
<b>Issue of options during the period</b>	<b>Number of options</b>	<b>\$</b>
Opening balance at 1 July 2014	175,000	2,450
Unlisted options issued to directors during the period	4,500,000	38,878
Unlisted options issued to others during the period	750,000	6,480
	5,425,000	47,808

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

## 4. SHARE BASED PAYMENTS

During the six months ended 31 December 2014 the Company, and following shareholder approval, the Company issued 4,500,000 share options to directors and 750,000 share options were issued to the company secretary and former company secretary.

The options vest immediately at the date of grant. The contractual life of each option is three years for all the options and there is no cash settlement of the options.

The fair value of the options granted is estimated at the date of grant using a Black Scholes Option Valuation Model, taking into account the terms and conditions upon which the options were granted.

The fair value of the options granted during the six months ended 31 December 2014 was estimated at the date of grant using the following assumptions:

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**4. SHARE BASED PAYMENTS (continued)**

Grant Date	<b>30 November 2014</b>
Number of Share Options	5,250,000
Dividend Yield (%)	Nil
Expected Volatility (%)	115.15
Risk-free interest rate (%)	2.40
Expected Life (years)	3.00
Exercise Price (cents)	3 cents
Fair Value per Option (cents)	0.86
<b>Total Value of Options (\$)</b>	<b>45,358</b>

For the six months ended 31 December 2014, the Company has recognised \$45,358 of share based payment expense in the income statement (2013: Nil).

**5. SEGMENT REPORTING**

The Company operates in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

**6. CONTINGENT ASSETS AND LIABILITIES**

In the opinion of the directors, there are no further contingent assets or liabilities as at 31 December 2014 and no changes in the interval between 31 December 2014 and the date of this report.

**7. COMMITMENTS**

In order to maintain its interest in the joint venture projects in which the Company is involved, the Company must meet its share of costs to maintain its interest in those joint venture projects. The operator of the joint venture determines the level of funding required to maintain the project. The Operator has not yet provided a formal approved budget in order for the Company to determine its commitment.

**8. RELATED PARTIES**

During the period the Company entered into an arrangement with Matsa Resources Limited, the Company's largest shareholder, to provide office space, administration and accounting services to the Company. The amount charged is based on commercial terms and conditions, no more favourable than those available to other parties. Mr Poli and Mr Sibbel are directors of Matsa Resources Limited

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

On 20 February 2015 Bulletin announced that it had executed a mandate letter with the Commonwealth Bank of Australia (CBA) to provide finance to Bulletin for its 20% share of the Nicolson's Gold Project. Bulletin has executed a Senior Secured Gold Prepaid Forward and Mandatory Hedge Facility to the value of \$2.3 million.

On 25 February 2015 Bulletin announced a capital raising via a fully underwritten non-renounceable rights issue on a 1 for 4 basis at the issue price of 1.5 cents per share. In addition shareholders will be given the opportunity to apply for additional shares in excess of their entitlement, however, allocations are not guaranteed. The funds raised will go towards meeting the equity component of Bulletin's funding of the redevelopment and commencement of production of the Nicolson's Gold Project.

**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 14, are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards AASB134 Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements
  - (b) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date
2. In the directors' opinion there are reasonable grounds to believe that Bulletin Resources Limited 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.

Dated at Perth this 13<sup>th</sup> day of March 2015



**Paul Poli**  
**Chairman**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bulletin Resources Limited

### Report on the Half-Year Financial Report

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

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bulletin Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bulletin Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bulletin Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(b) in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the successful commencement of production and sale of product from the Nicolson's gold project in order to meet its commitments under its current debt facility and/or for working capital. This condition, along with other matters as set out in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch

Director

Perth, 13 March 2015