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Corporations Act 2001
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Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

KALBAR RESOURCES LTD.

ACN

149 545 362

Lodgement details

Registered auditor number

450101

Registered auditor name

GREGORY WILLIAM CLIFFE

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date
30-06-2015

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

Yes

Details of current auditor or auditors

Current auditor

Date of appointment **02-03-2011**

Name of auditor
BDJ PARTNERS

Address
LEVEL 13
122 ARTHUR STREET
NORTH SYDNEY NSW 2060

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.
Yes

Signature

Select the capacity in which you are lodging the form
Agent

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.
Yes

Authentication

This form has been authenticated by
Name GREGORY WILLIAM CLIFFE
This form has been submitted by
Name Gregory William CLIFFE
Date 30-10-2015

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KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

CONTENTS

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2015.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Mr Rob Bishop
Mr Ian Warden
Mr Robert Waring
Mr James Kerr
Mr Brad Farrell, registered as director 23/3/15

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to $81,684.

At the start of FY15, the company was completing its 2014 drilling campaign. This 72 hole air-core program focused on the Glenaladale deposit, with some drilling at the Mossiface deposit and some exploratory drilling at Middles (in between Glenaladale and Mossiface) and further East at Tostaree. Drilling at Glenaladale successfully extended the mineralisation. Drilling at Mossiface met technical difficulties due to poor water control. Drilling at Middles and Tostaree failed to intersect any economic mineral concentrations.

Many of our licences reached their first expiry date during the year. After reviewing the available data a decision was made to drop the Eastern Licences at Nowa Nowa and Tostaree. They were deemed unlikely to host significant mineralisation. The expired licences at Glenaladale were either renewed or the ground was re-applied for. The Mossiface and Glenaladale areas were applied for as Retention Licences. Retention licences allow a company to continue holding the deposits after the final exploration period has expired. Kalbar has four Retention Licences. One has been granted with the remaining three requiring a Native Title Agreement. This was reached subsequent to FY15 and the Glenaladale Retention Licence is now with the Department of Economic Development awaiting granting. Work is able to continue on the licence as the underlying Exploration Licence remains in effect while the Retention Licence is in application.

At the start of CY15, Kalbar raised $1.3m to fund ongoing activities. The raising was offered to existing shareholders and several new shareholders also joined the register, with Mr Brad Farrell becoming a major shareholder and also joining the board. His position requires shareholder ratification at the Annual General Meeting.

Kalbar commenced drilling again in April 2015. This was a 90 hole program focusing entirely on the Glenaladale deposit. Work was focused on infill drilling the starting area and drilling to upgrade the global resource. The results are still being processed and will be incorporated in an updated JORC resource.

Metallurgical work was conducted at Allied Laboratories and was designed to test the Upper Layer ore body on its own. Work by previous owners had tested a blend of Upper and Lower Layer orebodies. Kalbar's smaller-scale, higher-grade approach means we can focus on just the Upper Layer. The metallurgy of the Upper Layer performed better than the Upper/Lower blend. The grain size and mineralogy (ie, more valuable minerals) of the Upper Layer is markedly improved. Consequently, metallurgical works showed improved recoveries. The product quality issues of high chrome in the titanium minerals and high U+Th in the zircon are still present. These levels are not unusual for Victorian mineral sands. Work done by Nalco on slimes settling and tailings deposition showed the deposit performs well with industry low dosages.

During the year Kalbar held two community meetings to present the project and gauge issues that will require work. There is understandably concern amongst the community over what a mine might mean. Kalbar believes that as it defines the project and can demonstrate exactly what it will look like, many of these fears will abate. That said, despite some opposition, the project is well supported by the community.

Kalbar travelled to China to speak to Companies that process the concentrate that Kalbar plans to produce and to present at the Ruidow Zircon conference in Xi’an. We were received well, and despite the poor economy, there seems real demand for our product. Discussions are ongoing and will involve the sending of test material to the processors.

With regard to the Northern Territory Bauxite Project, two of the 5 Victoria River licence applications were granted. The remaining three licence applications plus the three Tiwi Island applications remain ungranted, pending successful outcomes of ongoing discussions with Aboriginal Land Council representatives. The Victoria River granted licences and applications were transferred to Robian Resources, a wholly owned subsidiary of Kalbar. The bauxite market is one of the few bright lights in mineral commodities and we look forward to reconnaissance exploration next year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the company during the financial year was to carry out mineral exploration and mineral development.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

The Company intends to position itself to enhance the value of its mineral tenements through further exploration to hopefully develop economic assets in its two projects, in particular its Victorian mineral sands project. Further exploration and resource development studies might lead to the commencement of mining.

DIRECTORS' REPORT

Environmental Regulation

The company's drilling activities occur in accordance with Department of Economic Development, Jobs, Transport and Resources, and the Department of Environment and Primary Industry guidelines, with reference to the DEPI's code of practice for mineral exploration 2006 and Guidelines for Environmental Management in Exploration and Mining.

Dividends

No dividends were paid during the year and no recommendation is made as to the dividends.

The directors do not recommend the payment of a dividend.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

The Company indemnifies to the extent permitted by law, officers of the company when acting in their capacity in good faith in respect of liabilities to third parties and costs and expenses of successfully defending legal proceedings. The Directors named in this report have the benefit of indemnity.

The company has paid insurance premiums in respect of contracts insuring all Directors and Secretaries against liabilities incurred in their capacity as Directors and Secretaries. The contract prohibits disclosure of the nature of the liabilities and the amount of premiums paid and Corporations Act (2001) does not require disclosure under such circumstances.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

DIRECTORS' REPORT

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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

Director: ______________________________
Mr Rob Bishop

Director: ______________________________
Mr Ian Warden

Dated this 30th day of October 2015

bdjpartners
CHARTERED ACCOUNTANTS

partners
A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate
M A Nakkan CA

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Auditor's Independence Declaration

To the directors of Kalbar Resources Limited

As engagement partner for the audit of Kalbar Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners
Chartered Accountants

……………………………………..
Gregory W Cliffe
Partner
29 October 2015

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Income			
Revenue		8,310	5,092
Expenditure			
Accounting expenses		(10,900)	-
Advertising expenses		(1,800)	(2,743)
Auditors' remuneration		(10,000)	(11,000)
Depreciation		(875)	(448)
Exploration Expenditure		(40,000)	-
Travelling expense		(2,960)	(12,128)
Other expenses		(23,459)	(30,182)
		(89,994)	(56,501)
Loss before income tax	**2**	(81,684)	(51,409)
Income tax expense		-	-
Loss for the year		(81,684)	(51,409)
Total comprehensive income for the year		(81,684)	(51,409)

The accompanying notes form part of these financial statements.

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	983,588	424,704
Trade and other receivables	4	58,910	14,422
Bank Guarantees	5	60,000	-
TOTAL CURRENT ASSETS		1,102,498	212,090
NON-CURRENT ASSETS			
Bank guarantee	5	30,000	90,000
Property, plant and equipment	8	6,089	-
Other non-current assets	6	1,387,004	419,517
TOTAL NON-CURRENT ASSETS		1,423,093	509,517
TOTAL ASSETS		2,525,591	948,643
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	17,000	10,000
Accrued Expenses		179,344	-
TOTAL CURRENT LIABILITIES		196,344	10,000
TOTAL LIABILITIES		196,344	10,000
NET ASSETS		2,329,247	938,643
EQUITY			
Issued capital	9	2,302,802	830,514
Reserves		150,374	150,374
(Accumulated losses) Retained earnings	10	(123,929)	(42,245)
TOTAL EQUITY		2,329,247	938,643

The accompanying notes form part of these financial statements.

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital	Retained earnings / (Accumulated losses)	Share Redemption Reserve	Total
		$	$	$	$
Balance at 1 July 2013		41,000	9,164	150,374	200,538
Issue of ordinary shares		789,514			789,514
Profit attributable to equity shareholders			(51,409)		(51,409)
Balance at 30 June 2014		830,514	(42,245)	150,374	938,643
Issue of ordinary shares		1,472,288			1,472,288
Profit attributable to equity shareholders			(81,684)		(41,684)
Balance at 30 June 2015	**9**	2,302,802	(123,929)	150,374	2,329,247

The accompanying notes form part of these financial statements.

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,008	(3,343)
Payments to suppliers and employees		(101,014)	(58,052)
Interest received		8,310	5,092
Net cash used in operating activities	11	(85,696)	(56,303)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for other current assets		(6,981)	(7,414)
Payments for other non current assets		(820,727)	(509,517)
Net cash provided by (used in) investing activities		(827,708)	(516,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		1,472,288	789,514
Dividends paid		-	-
Net cash provided by (used in) financing activities		1,472,288	789,514
Net increase (decrease) in cash held		558,884	216,280
Cash at beginning of financial year		424,704	208,424
Cash at end of financial year	3	983,588	424,704

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

Kalbar Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model.

Asset are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Plant and Equipment	13.33% Diminishing

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(i) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Kalbar Resources Limited designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(ii) Hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the company's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of hedge assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

At the end of each reporting period, property, plant and equipment, intangible assets and investments singly and in aggregate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

	2015 $	2014 $

2 Loss for the year

	2015 $	2014 $
Loss before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	875	448
Foreign currency translation losses	-	-

3 Cash and Cash Equivalents

	2015 $	2014 $
ANZ Bus Classic AC	3,195	31,131
ANZ Bus Online Saver AC	980,393	393,573
	983,588	424,704

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2015 $	2014 $
Cash and cash equivalents	983,588	424,704
	983,588	424,704

		2015 $	2014 $
4	**Trade and Other Receivables**		
	Current		
	Tax Refundable	58,891	7,008
	Advance to Directors	19	7,414
		58,910	14,422

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

		2015 $	2014 $
5	**Financial Assets**		
	Current		
	Bank Guarantees	60,000	-
	Non-Current		
	Bank Guarantees	30,000	90,000
6	**Project Acquisition Costs and Capitalised Expenditures**		
	Gippsland HMS Project	303,467	303,467
	Capitalised Expenditure	1,083,537	116,050
	Total	1,387,004	419,517
7	**Trade and Other Payables**		
	Current		
	Sundry Creditors	17,000	10,000

	2015 $	2014 $

8 Property, Plant and Equipment

PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and Equipment:		
At cost	6,964	1,660
Accumulated depreciation	(875)	(1,660)
Total Plant and Equipment	6,089	-

Movements in Carrying Amounts of Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land $	Buildings $	Plant and Equipment $	Leased Plant and Equipment $	Total $
Balance at 1 July 2013	-	-	448	-	448
Depreciation expense	-	-	(448)	-	(448)
Balance at 30 June 2014	-	-	-	-	-
Additions	-	-	6,964	-	6,964
Depreciation expense	-	-	(875)	-	(875)
Carrying amount at 30 June 2015	-	-	6,089	-	6,089

9 Issued Capital

	2015 $	2014 $
Fully Paid Ordinary Shares	2,250,352	778,064
Escrowed Shares	52,450	52,450
Total dollar value of issued capital	2,302,802	830,514
Total number of shares on issue at the start of the period	24,608,300	
Shares issued during the year	18,611,833	
Total number of shares on issue at the end of the period	43,220,133	24,608,300

There are no externally imposed capital requirements.

	2015 $	2014 $

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

10 (Accumulated Losses) Retained Earnings

	2015 $	2014 $
Retained earnings at the beginning of the financial year	(42,245)	9,164
Net loss attributable to members of the company	(81,684)	(51,409)
Dividends provided for or paid	-	-
(Accumulated losses) Retained earnings at the end of the financial year	(123,929)	(42,245)

11 Cash Flow Information

	2015 $	2014 $
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after income tax	(81,684)	(51,409)
Non-cash flows in loss		
Depreciation	875	448
Write off of exploration expenditure	40,000	-
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(42,577)	(3,342)
Increase (Decrease) in other creditors	(2,310)	(2,000)
Increase (Decrease) in tax assets	-	-
	(85,696)	(56,303)

12 Company Details

Kalbar Resources Limited

The registered office and principal place of the business of the company is:

Suite 7, Level 5, 66 Hunter Street SYDNEY NSW 2000

	2015 $	2014 $

13 Commitments

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. These commitments are not binding as the exploration tenements can be reduced or relinquished at any time.

	2015 $	2014 $
Payable not later than one year	99,000	-
Payable later than one year but not later than two years	150,000	-
	249,000	-

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

KALBAR RESOURCES LIMITED
A.B.N. 30 149 545 362

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 20 are in accordance with the Corporations Act 2001;

   (a) comply with Australian Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

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

Director: ______________________________
Mr Rob Bishop

Director: ______________________________
Mr Ian Warden

Dated this 30th day of October 2015

bdjpartners
CHARTERED ACCOUNTANTS

partners
A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

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Independent Auditor's Report

To the members of Kalbar Resources Limited

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Kalbar Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 Kalbar Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Kalbar Resources Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

BDJ Partners
Chartered Accountants

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Gregory W Cliffe
Partner

30 October 2015