



**WESTERN MINING NETWORK LIMITED**

ABN 63 144 079 667

**& CONTROLLED ENTITIES**

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Interim Financial Report  
For the Half-Year Ended December 2014

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**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT  
For the Half-Year Ended 31 December 2014**

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**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**COMPANY DIRECTORY**

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**EXECUTIVE CHAIRMAN**

Christopher Clower

**EXECUTIVE DIRECTOR**

Paulus Irawan

**EXECUTIVE DIRECTOR**

Budi Santoso

**NON-EXECUTIVE DIRECTOR**

Roger Pooley

**COMPANY SECRETARY**

Mark Langan

**REGISTERED OFFICE**

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Sydney NSW 2000

Telephone: 02 8280 7494

Facsimile: 02 9287 0350

**AUDITORS**

Bentleys

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WEST PERTH WA 6005

**SHARE REGISTRAR**

Advanced Share Registry Services

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NEDLANDS WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

**STOCK EXCHANGE CODE**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: WMN

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

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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 Directors who held office during or since the end of the half year are:

Christopher Clower	Executive Chairman
Paulus Irawan	Executive Director
Budi Santoso	Executive Director (Appointed 8 December 2014)
Roger Pooley	Non-Executive Director

**RESULTS**

The loss after tax for the half-year ended 31 December 2014 was \$8,406,978 (31 December 2013: \$756,805).

**REVIEW OF OPERATIONS**

**Genesis Project**

Western Mining Network Limited (“WMN”) indirectly owns 51% of PT. Genesis Berkat Utama (“Genesis”) which holds a Manganese Production License covering approximately 3,000 hectares located in Dondo Subdistrict and Bualan Subdistrict, Kabupaten Toli, Central Sulawesi (“Genesis Project”).

During the half year WMN continued its discussions and negotiations with a view to sell manganese or divest the Genesis Project. In the current market the Directors have taken the decision to write the value of this project down to nil.

**Persada Tenement**

On 25 July 2014, WMN through its wholly owned subsidiary PT. WMNI completed the acquisition of 75% of the shares of PT. Persada Bumi Rawas (PT. PBR), pursuant to Master Agreement. PT. PBR directly holds a 100% interest in IUP Exploration No. 540/307.19/Distamben dated 12 August 2009 and issued by Regent of Buol (Persada Tenement).

The Persada Tenement holds clean and clear status with tenure expiring on 12 August 2016, covers an area of 5,000 hectares in the Buol region of Central Sulawesi, Indonesia and is considered to be prospective for gold.

During the half-year ended 31 December 2014, WMN continued geochemistry processes on its 75% ownership in gold tenement, PT Persada Bumirawas. Infill auger drilling was completed with soil sampled from 58 holes for better anomaly definition. The ultimate objective is to later conduct a limited core drilling program. The soil samples were analysed by PT Intertek Indonesia.

**Tamboli Project**

At the Extraordinary General Meeting held on 23 October 2014 the shareholders approved a transaction with the Milestone Group. Subsequently, WMN issued shares to the Milestone Group, bringing in five new substantial shareholders.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

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PT. Mekongga Sejahtera (“Mekongga”) completed its first phase core drilling program over approximately 9.5ha of its 98.04ha tenement with outstanding initial assay results. The initial diamond drill holes at the Mekongga graphite deposit intercepted 825.79m of graphite mineralisation. 15 diamond holes were drilled for a total of 1,000m at a 50m to 100m spacing and depths ranging from 10m to 100m per hole. Weighted average total carbon content for three of the holes are: 21.27%, 14.67%, and 14.54%. The highest interception grade was 32.44% at 2.6m depth from the surface taken at one of the drill holes. We also identified existence of flake graphite observed in drill cores.

On 7 November WMN issued 78,967,006 shares valued at \$24,479,772 for the initial consideration of the Tamboli Project. WMN have also provided for the achievement of market capitalisation hurdles of \$50m and \$80m by providing for \$15,162,913 the issue of shares at balance date. The market capitalisation hurdle of \$100m has not been provided for at balance date.

Additionally, WMN signed a Heads of Agreement with a consortium of three Korean companies to fast track development of Tamboli project. This is a landmark agreement for WMN. The vast and relevant experience this consortium has in graphite beneficiation and processing as well as proprietary knowledge of what specifications are required, and the current uses of graphite carbon powder by their consumers, will help WMN in its goal to become a near term producer.

**Project Generation**

The Company has continued its focus on evaluating additional tenements of strategic importance to expand the land area held, especially graphite tenements. To date, no further projects have met the criteria for WMN to continue past the review stage. This work is ongoing as the Company seeks to acquire further value accretive assets.

**SUBSEQUENT EVENTS**

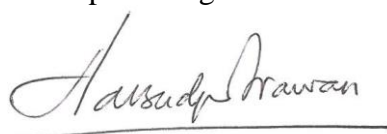
At the end February 2015, WMN signed definitive agreements with the Korean counter parties for the development of the Tamboli Project.

No other matters or circumstances have arisen since the end of the period 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.

**AUDITOR’S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the half-year ended 31 December 2014 is set out on page 19.

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



Paulus Irawan  
Executive Director  
Perth  
Dated: 16<sup>th</sup> March 2015

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

For the Half-Year Ended 31 December 2014

		31 December 2014	31 December 2013
		\$	\$
Interest income	Note	13,779	2,796
Administration expenses		(129,342)	(38,700)
Compliance and regulatory expenses		(130,812)	(82,717)
Employee benefits expense		(197,880)	(152,133)
Exploration expenditure		(342,180)	(482,565)
Impairment of exploration acquisition costs	2	(7,559,948)	-
Occupancy costs		(3,986)	-
Travel and accommodation		(56,609)	(3,486)
<b>Loss before income tax expense</b>		<b>(8,406,978)</b>	<b>(756,805)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(8,406,978)</b>	<b>(756,805)</b>
<b>Other comprehensive income</b>		-	-
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		880,408	(1,444,935)
<b>Total comprehensive income</b>		<b>(7,526,570)</b>	<b>(2,201,740)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(8,298,290)	(755,722)
Non-controlling interest		(108,688)	(1,083)
		<b>(8,406,978)</b>	<b>(756,805)</b>
<b>Total comprehensive loss attributable to:</b>			
Members of the parent entity		(7,417,882)	(2,200,657)
Non-controlling interest		(108,688)	(1,083)
		<b>(7,526,570)</b>	<b>(2,201,740)</b>
Basic loss per share (cents per share)		(8.03)	(1.50)

The accompanying notes form part of this financial report.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		591,209	2,179,428
Trade and other receivables		373,316	146,711
Other assets		9,555	13,666
<b>TOTAL CURRENT ASSETS</b>		<b>974,080</b>	<b>2,339,805</b>
<b>NON-CURRENT ASSETS</b>			
Other assets		8,585	499,405
Exploration and evaluation expenditure	2	41,745,868	6,767,612
Plant and equipment		112,796	3,024
<b>TOTAL NON-CURRENT ASSETS</b>		<b>41,867,249</b>	<b>7,270,041</b>
<b>TOTAL ASSETS</b>		<b>42,841,329</b>	<b>9,609,846</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		172,992	584,941
Deferred Consideration	3	15,898,836	-
Loans and Borrowings	4	684,281	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,756,109</b>	<b>584,941</b>
<b>TOTAL LIABILITIES</b>		<b>16,756,109</b>	<b>584,941</b>
<b>NET ASSETS</b>		<b>26,085,220</b>	<b>9,024,905</b>
<b>EQUITY</b>			
Issued Capital	5	37,393,569	12,663,797
Reserves		3,709,770	2,829,362
Accumulated losses		(14,703,377)	(6,405,087)
Non-controlling interest		(314,742)	(63,167)
<b>TOTAL EQUITY</b>		<b>26,085,220</b>	<b>9,024,905</b>

The accompanying notes form part of this financial report.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Half-Year Ended 31 December 2014

	<b>Issued Capital \$</b>	<b>Foreign translation reserve \$</b>	<b>Options reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2013</b>	<b>9,897,685</b>	<b>832,643</b>	<b>3,470,595</b>	<b>(4,925,668)</b>	<b>(61,047)</b>	<b>9,214,208</b>
Loss for the period				(755,722)	(1,083)	(756,805)
Other Comprehensive Income	-	(1,444,935)	-	-	-	(1,444,935)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>(1,444,935)</b>	<b>-</b>	<b>(755,722)</b>	<b>(1,083)</b>	<b>(2,201,740)</b>
Shares issued during the year (net)	326,145	-		-	-	326,145
Options issued during the year	-	-	292,196	-	-	292,196
<b>Balance at 31 December 2013</b>	<b>10,223,830</b>	<b>(612,292)</b>	<b>3,762,791</b>	<b>(5,681,390)</b>	<b>(62,130)</b>	<b>7,630,809</b>
<b>Balance at 1 July 2014</b>	<b>12,663,797</b>	<b>(933,429)</b>	<b>3,762,791</b>	<b>(6,405,087)</b>	<b>(63,167)</b>	<b>9,024,905</b>
Loss for the period	-		-	(8,298,290)	(108,688)	(8,406,978)
Other Comprehensive Income	-	880,408	-	-	-	880,408
<b>Total comprehensive income</b>	<b>-</b>	<b>880,408</b>	<b>-</b>	<b>(8,298,290)</b>	<b>(108,688)</b>	<b>(7,526,570)</b>
Recognition of non-controlling interest	-	-	-	-	(142,887)	(142,887)
Shares issued during the period (net)	24,729,772	-	-	-	-	24,729,772
<b>Balance at 31 December 2014</b>	<b>37,393,569</b>	<b>(53,021)</b>	<b>3,762,791</b>	<b>(14,703,377)</b>	<b>(314,742)</b>	<b>26,085,220</b>

The accompanying notes form part of this financial report.



**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED 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	(516,883)	(277,996)
Payments for exploration expenditure	(1,276,140)	(602,692)
Interest received	13,779	2,796
	(1,779,244)	(877,892)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash inflow on acquisition of entities	523,932	-
Payments for acquisition of entities	(361,405)	-
	162,527	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	143,684	345,396
Proceeds from issue of options	-	292,196
Payments for capital raising costs	(137,000)	(19,251)
	6,684	618,341
<b>Effects of exchange rates changes on cash and cash equivalents</b>	21,814	-
<b>Net decrease in cash held</b>	<b>(1,588,219)</b>	<b>(259,551)</b>
Cash and cash equivalents at beginning of period	2,179,428	737,517
<b>Cash and cash equivalents at end of reporting period</b>	<b>591,209</b>	<b>477,966</b>

The accompanying notes form part of this financial report.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2014

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**1. BASIS OF PREPARATION**

**a) Reporting entity**

Western Mining Network Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

These consolidated interim financial statements were approved by the Board of Directors on 16 March 2015.

**b) Basis of Preparation**

These consolidated interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2014.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2014.

**c) New accounting standards and interpretations**

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 half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
  - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
  - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
  - Part C: 'Materiality'
- Interpretation 21 'Levies'

The adoption of the above standards have not had a material impact on this half year financial report.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2014

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**1. BASIS OF PREPARATION (CONT.)**

**d) Going Concern**

The half year financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the half year ended 31 December 2014 the Consolidated Entity incurred a loss of \$8,406,978 (2013: 756,805) and net cash outflows of \$1,588,219 (2013: \$259,551) and as at that date had a working capital deficit of \$15,782,029 (30 June 2014: surplus of \$1,754,864). Included in this working capital deficit is deferred consideration of \$15,898,836 of which \$15,162,914 is to be settled via the issue of equity.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

Subsequent to year end the Consolidated Entity has signed definitive agreements for the engineering, procurement and construction of a processing and purification plant capable of producing commercial grade graphite powder. The agreement is contingent upon the Company successfully obtaining financing for the project.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital or obtaining debt financing and managing cashflow in line with available funds.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this half-year financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date and the investor appetite in the company since the Tamboli Project acquisition the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

**e) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Half-Year Ended 31 December 2014

**2. EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31 December 2014</b>	<b>30 June 2014</b>
	\$	\$
	41,745,868	6,767,612
Opening Balance	6,767,612	
Projects acquired during period - Taboli <sup>1,2</sup>	41,019,806	
Projects acquired during period – Persada	648,396	
Foreign exchange movement	870,002	
Expenditure written off during period <sup>3</sup>	(7,559,948)	
Balance at 31 December 2014	41,745,868	

1. During the period the Company completed the acquisition of PT Persada. Deposits paid as at 30 June 2014 have been reclassified to exploration expenditure on completion of the transaction. Refer to note 6 for more details.
2. During the period the Company completed the “Tamboli Transaction” comprising the option to acquire 75% of PT Mekongga, a 40% interest in PT Eagle Rich with an option to acquire a further 59%. The consideration payable pursuant to the contract was as follows:

Initial instalment – 78,967,006 ordinary shares	24,479,772	
Deferred Consideration (refer note 3)	15,898,836	
Total Consideration	40,378,608	

The acquisitions result in control over the entities and have been consolidated into this financial report.

3. During the period the Company performed a review of its projects, and given the major focus of the Company has shifted to the Tamboli Project, it was decided that the Genesis project be impaired.

**3. DEFERRED CONSIDERATION**

Deferred Consideration <sup>1</sup>	15,162,914	-
Option Exercise Price <sup>2</sup>	735,922	-
Balance at 31 December 2014	15,898,836	-

1. Pursuant to the Tamboli Transaction the Company is obligated to make the following payments to the vendor with reference to the following market capitalisation hurdles:

Market Capitalisation	Ordinary shares to be issued
\$50,000,000	17,548,224
\$80,000,000	21,935,279
\$100,000,000	65,805,838

The deferred consideration has been measured at fair value at balance date.

2. Being the exercise price of the options to acquire 75% of PT Mekongga and a further 59% in PT Eagle Rich.

**WESTERN MINING NETWORK LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

**4. LOANS AND BORROWINGS**

	<b>31 December 2014</b>	<b>30 June 2014</b>
	\$	\$
Loan	684,281	-

The loan is unsecured and non-interest bearing

**5. ISSUED CAPITAL**

	<b>31 December 2014</b>	<b>30 June 2014</b>
	\$	\$
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid of no par value	37,393,569	12,663,797

	<b>Number</b>	<b>\$</b>
<b>(b) Movement in ordinary shares on issue</b>		
Balance at 1 July 2014	58,706,635	12,663,797
8 July 2014	19,057,290	-
14 July 2014	1,203,081	-
7 November 2014	78,967,006	24,479,772
7 November 2014	5,000,000	250,000
Balance at 31 December 2014	162,934,012	37,393,569

The issue of shares on 8 July 2014 and 14 July 2014 relate to the exercise of options where the proceeds on exercise (\$1,870,193) were recognised in the period ended 30 June 2014.

**WESTERN MINING NETWORK LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

**6. ACQUISITION OF SUBSIDIARIES**

**Persada**

On 21 July 2014, the Group completed the acquisition of a 75% equity interest in PT. Persada which holds a gold exploration licence in Indonesia. A summary of the consideration and acquisition date balance sheet is as follows:

<b>Consideration transferred</b>	
Deposits paid in previous period	499,405
Deposits in period to 31 December 2014	361,405
Total Consideration	<b>860,810</b>
 <b>Net assets acquired</b>	
Cash and cash equivalents	429,170
Other assets	1,098
Trade and other payables	(147,050)
Net assets	<b>283,219</b>
Non-controlling interest	70,804
Acquisition of exploration expenditure (refer note 2)	<b>648,396</b>

**Tamboli Project**

On 23 October 2014 the Company completed the acquisition of the Tamboli Project comprising the option to acquire 75% of PT Mekongga, a 40% interest in PT Eagle Rich with an option to acquire a further 59%. Pursuant to the contractual arrangements, Western Mining Network Limited is deemed to have control over PT Mekongga and PT Eagle Rich. A summary of the consideration and net assets acquired are as follows:

<b>Consideration transferred</b>	
78,967,006 ordinary shares (refer note 5)	24,479,772
Deferred consideration (refer note 3)	15,898,836
Total Consideration	<b>40,378,608</b>
 Net assets acquired	
Cash and cash equivalents	94,762
Other assets	126,545
Property, plant and equipment	101,480
Trade and other payables	(1,177,717)
Net assets	<b>(854,930)</b>
Non-controlling interest	(213,732)
Acquisition of exploration expenditure (refer note 2)	<b>41,019,806</b>

**WESTERN MINING NETWORK LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

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**7. OPERATING SEGMENTS**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Management has identified the operating segments based on exploration in two principal locations, being Australia and Indonesia, and two business segments being mineral exploration and treasury.

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Inter-segment transactions*

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated items*

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

**7. OPERATING SEGMENTS (CONT.)**

(a) Segment Performance

	Exploration \$	Treasury \$	Total Operations \$
Period Ended 31 December 2014			
<b>Revenue</b>			
Interest revenue	-	13,779	13,779
<b>Total segment revenue</b>	-	<b>13,779</b>	<b>13,779</b>
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated revenue	-	-	-
<b>Total revenue</b>	-	<b>13,779</b>	<b>13,779</b>
<b>Segment net loss before tax</b>	<b>(342,180)</b>	<b>13,779</b>	<b>(328,401)</b>
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated items:			
- Administration expenses			(129,342)
- Compliance and regulatory expenses			(130,812)
- Director fees and salaries			(197,880)
- Occupancy costs			(3,986)
- Impairment of exploration acquisition costs			(7,559,948)
- Travel and accommodation			(56,609)
<b>Net loss before tax from continuing operations</b>			<b>(8,406,978)</b>



**WESTERN MINING NETWORK LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

**7. OPERATING SEGMENTS (CONT.)**

	Exploration \$	Treasury \$	Total Operations \$
Period Ended 31 December 2013			
<b>Revenue</b>			
Interest revenue	-	2,796	2,796
<b>Total segment revenue</b>	<b>-</b>	<b>2,796</b>	<b>2,796</b>
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>2,796</b>	<b>2,796</b>
<b>Segment net loss before tax</b>	<b>(482,565)</b>	<b>2,796</b>	<b>(479,769)</b>
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated items:			
- Administration expenses			(38,700)
- Compliance and regulatory expenses			(82,717)
- Director fees			(152,133)
- Travel and accommodation			(3,486)
<b>Net loss before tax from continuing operations</b>			<b>(756,805)</b>
 <b>(b) Segment assets</b>			
	Exploration \$	Treasury \$	Total Operations \$
As at 31 December 2014			
<b>Segment assets</b>	<b>41,745,868</b>	<b>591,209</b>	<b>42,337,077</b>
<i>Reconciliation of segment assets to total assets</i>			
Unallocated items:			
- Trade and other receivables			373,317
- Other assets			18,139
- Plant and equipment			112,796
<b>Total assets</b>			<b>42,841,329</b>

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

**7. OPERATING SEGMENTS (CONT.)**

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2014			
<b>Segment assets</b>	<b>6,767,612</b>	<b>2,179,428</b>	<b>8,947,040</b>

*Reconciliation of segment assets to total assets*

Unallocated items:			
- Trade and other receivables			146,711
- Other assets			513,071
- Plant and equipment			3,024
<b>Total assets</b>			<b>9,609,846</b>

**(c) Segment liabilities**

	Exploration \$	Treasury \$	Total Operations \$
As at 31 December 2014			
<b>Segment liabilities</b>	<b>16,038,363</b>	-	<b>16,038,363</b>

*Reconciliation of segment liabilities to total liabilities*

Unallocated items:			
- Trade and other payables	-	-	33,465
- Loan	-	-	684,281
<b>Total liabilities from continuing operations</b>			<b>16,756,109</b>

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2014			
<b>Segment liabilities</b>	<b>250,000</b>	-	<b>250,000</b>

*Reconciliation of segment liabilities to total liabilities*

Unallocated items:			
- Other liabilities			334,941
<b>Total liabilities from continuing operations</b>			<b>584,941</b>

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2014

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**8. EVENTS SUBSEQUENT TO REPORTING PERIOD**

At the end February 2015, WMN signed definitive agreements with the Korean counter parties for the development of the Tamboli Project.

No other matters or circumstances have arisen since the end of the period 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.

**9. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Company currently has no contingent assets or contingent liabilities other than the issue of shares for the acquisition of the Tamboli Project as illustrated in note 3 to this report.

**WESTERN MINING NETWORK LIMITED  
& CONTROLLED ENTITIES**

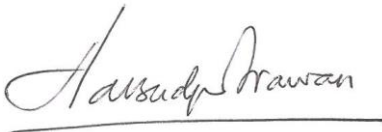
**DIRECTORS' DECLARATION**  
For the Half-Year Ended 31 December 2014

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 17 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the Company's financial position as at 31 December 2014 and its performance for the interim period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Paulus Irawan  
Executive Director

PERTH  
Dated this 16<sup>th</sup> March 2015

## Independent Auditor's Review Report

### To the Members of Western Mining Network Limited

We have reviewed the accompanying half-year financial report of Western Mining Network Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled 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 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 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 the Consolidated Entity, 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.

# Independent Auditor's Review Report

To the Members of Western Mining Network Limited (Continued)

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## Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Western Mining Network Limited and Controlled Entities 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 qualifying our conclusion, we draw attention to Note 1(d) of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$8,406,978 during the period ended 31 December 2014. This condition, along with other matters as set forth in note 1(d), indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

A handwritten signature in blue ink that reads "Bentleys".

**BENTLEYS**  
Chartered Accountants

A handwritten signature in blue ink that reads "Doug Bell".

**DOUG BELL CA**  
Director

Dated at Perth this 16<sup>th</sup> day of March 2015

To the Board of Directors

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

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

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

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**DOUG BELL CA**  
**Director**

Dated at Perth this 16<sup>th</sup> day of March 2015