Abra Mining Pty Limited

Consolidated Financial Report

For the year ended 31 December 2015

Contents

Corporate Directory

The directors submit their report on the company and its controlled entity for the financial year ended 31 December 2015.

Directors

Mr Li Li
Non-Executive Chairman

Mr. Mingyan Wang
Managing Director

Mr. Wenzhong Guo
Non-Executive Director

Ms Yingjie Deng
Non-Executive Director

Mr. Zhong Jie Sheng
Non-Executive Director

Solicitors

Gilbert & Tobin
1202 Hay Street
West Perth, Western Australia 6005
Telephone: + 61 8 941 38400
Facsimile: + 61 8 9413 8444

Australian company number

110 233 577
The Company was delisted from ASX in 2011 and is a proprietary group incorporated in Western Australia from 4 November 2011.

Registered and principal office

Level 1, 34 Colin Street
West Perth, Western Australia 6005
Telephone: +61 8 9226 0200
Facsimile: +61 8 9322 8668
E-mail: admin@abramining.com.au
Website: www.abramining.com.au

Auditors

Pitcher Partners Corporate & Audit (WA) Pty Ltd
Level 1
914 Hay Street
Perth Western Australia 6000
Telephone: +61 08 9322 2022
Facsimile: +61 08 9322 1262

Director's Report

For the year ended 2015

DIRECTORS

The names of Group's directors in office during the period and until the date of this report are set out below. Directors were in office for this entire year unless otherwise stated.

Mr. Li Li (Chairman)
Mr. Mingyan Wang (Managing Director)
Ms Yingjie Deng
Mr. Wenzhong Guo
Mr. Zhong Jie Sheng

REVIEW OF OPERATIONS

The consolidated loss of the consolidated group for the financial year ended 31 December 2015 was $914,342(2014: $752,475).

MULGUL PROJECT ***Abra Mining Pty Limited ("AML") 100%, MMG 0%***

Exploration

The Mulgul Project, which contains the Abra polymetallic base metal deposit, lies within the Mesoproterozoic Bangemall Basin, and is located approximately 1,000 kilometres north of Perth in Western Australia (Figure 1). The deposit has an indicated and inferred mineral resource of 93 million tons @ 4.0% Pb and 10 g/t Ag and 14 million tons @ 0.6% Cu and 0.5 g/t Au. The Mulgul Project, with the exception of Mining Lease M52/0776, is subject to a Joint Venture Agreement with MMG Limted (MMG), with MMG earning a 60% share of the exploration leases at the completion of spending a total of $6,000,000 on the Mulgul and Jillawarra projects, with a Joint Venture formed after MMG have spent $2,000,000.

Director's Report

For the year ended 2015

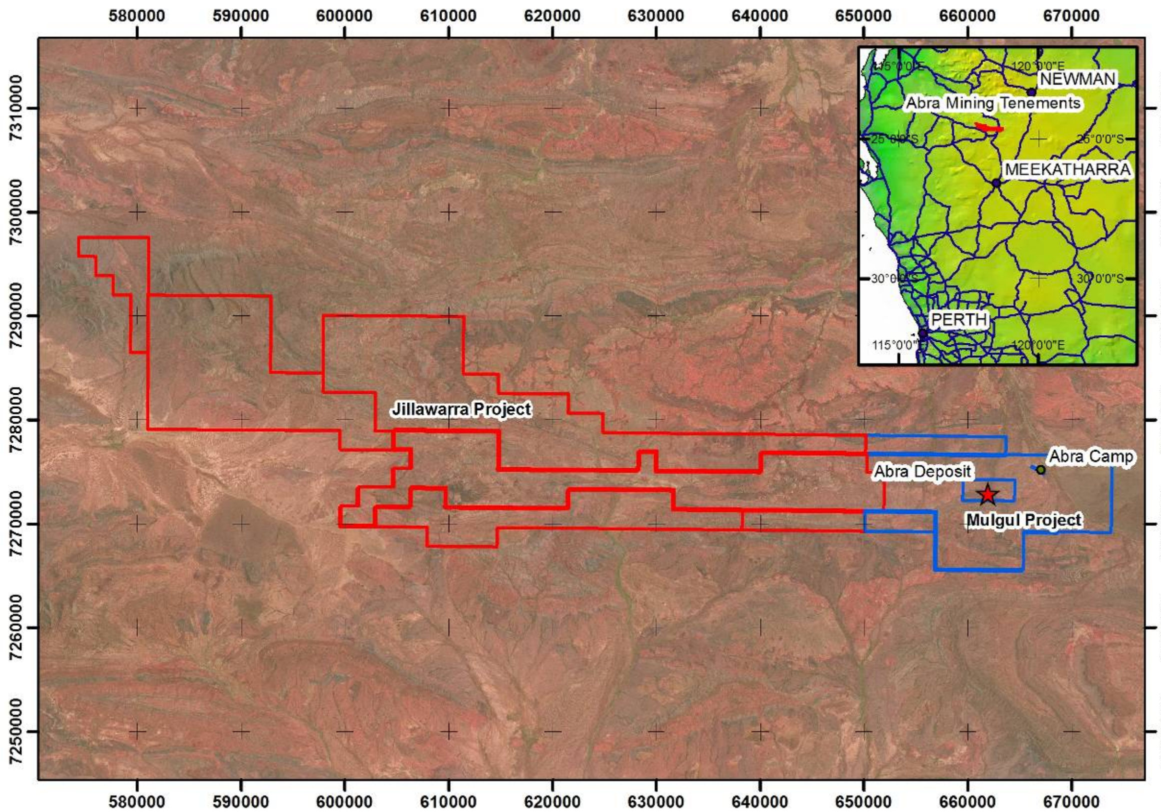

Figure 1 – Abra Mining Project Location Map

Exploration activities on the Mulgul Project for 2015 included a heritage clearance survey and preparation for 7 drill holes, although only 2 of these holes were drilled. All prepared and completed drill pads and access tracks were completely rehabilitated during the reporting period. All work was conducted by MMG as part of the Option Stage in the Joint Venture Agreement; completion of the work has resulted in MMG advancing from the Option Stage to a full Joint Venture.

Director's Report

For the year ended 2015

JILLAWARRA PROJECT ***Abra Mining Pty Limited 100%***

Exploration

The Jillawarra Project covers the central and western portions of the Jillawarra Sub-basin, a 65 kilometre long belt of sedimentary rocks that host the Abra polymetallic deposit and numerous other copper and lead-zinc mineral occurrences, many of which display similar geological characteristics to those observed at the Abra deposit (see Figure 1). The belt is prospective for the discovery of near-surface and deeper base metal mineralisation.
All fieldwork completed during the year was undertaken by MMG as part of their Joint Venture Agreement with AML. Under the agreement, MMG is responsible for ensuring that the tenements are maintained in good standing with the Department of Mines and Petroleum.
Work undertaken by AML has consisted of data reviews, data clean-up, and tenement administration.

Work Completed by MMG
ABRA 2015

A surface soil geochemistry survey designed to follow-up anomalism identified in historical surface geochemistry data was completed across parts of the Abra project. In total, 196 samples were collected from four prospects (Yasmin, Fencers, Anthe South and Cassim). Base-metal anomalism was identified at all four prospects with the highest values being recorded at the Fencers prospect.

An Induced Polarization (IP) geophysical survey totalling 12 line kilometres was completed at the Serenus, Iceberg and Birloque prospects. The survey was designed to image chargeable anomalies associated with previously identified conductors. Coincident chargeable/conductive anomalies were identified at the Iceberg and Birloque prospects which were subsequently drill tested (see below).

A diamond drilling programme consisting of five holes for a cumulative total of 1850m was completed during July –August 2015. The holes were designed to test Zn ± Pb targets associated with favourable stratigraphic and structural positions that were coincident with geophysical anomalism. Three holes were drilled immediately east-northeast of the Abra deposit at the Birli, Birloque and Rhea prospects. Drillholes at Birloque and Birli intercepted fine- to medium-grained siltstones of the Irregully Formation which contained trace disseminations of pale yellow (low-Fe) sphalerite that, in some instances, overprinted both the matrix and clasts. Although this is a significant result the absolute zinc values were generally low (<0.5% Zn). At the Iceberg prospect (located ~3.5km north of the Abra deposit) drilling intercepted a zone of Abra-style alteration between 141-151m, however no significant mineralisation was present. TPE15D01 was drilled 45km west of Abra and intercepted metamorphosed siltstones with overprinting pyrrhotite- galena- chalcopyrite veins. The presence of pyrrhotite in trace to disseminated quantities over +100m has been interpreted to be the source of the highly anomalous EM response observed over this prospect.

Director's Report

For the year ended 2015

Litho-geochemical sampling from a number of historic holes at the Quartzite Well prospect confirmed the presence of a mineralised (albeit narrow) breccia zone that yielded assay results of up to 9% Zn, 3.8% Pb and 47g/t Ag. More work will be done on this prospect during 2016.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Lyndon Hardy, Chief Exploration Geologist. Mr Hardy is a Member of the Australian Institute of Geoscientists. Mr Hardy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hardy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to the Mineral Resource is based on information compiled by Mr Diederik Speijers, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Speijers is employed by consultants McDonald Speijers and has 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 defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Speijers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIVIDENDS

No dividends were paid during the financial year and the Directors do not recommend the payment of a dividend.

OPTIONS

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has arranged Directors and Officers Liability/Group Reimbursement Insurance Policies which covers all the Directors and Officers of the Group and its controlled entities.

INDEMNIFICATION OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is, or has been, an auditor of the consolidated group.

Director's Report

LEGAL PROCEEDINGS

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 29 for the year ended 31 December 2015

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

Mingyan Wang
Managing Director

Consolidated Statement of Comprehensive income

For the year ended 2015

	Note	2015 $	2014 $
Revenue From Continuing Operations	3	5,212	29,740
Consultant & professional fees		(45,098)	(91,238)
Depreciation expense	4	(34,795)	(43,390)
Employee benefits expense	4	(355,108)	(297,940)
Insurance expense		(16,458)	(25,376)
Gain/(Loss)on Disposal of Fixed Assets		(6,787)	-
Occupancy expenses	4	(386,025)	(173,089)
Management Fee	4	-	(60,000)
Other expenses		(55,563)	(61,330)
Travel & accommodation expense		(19,720)	(29,850)
Loss before income tax expense		**(914,342)**	**(752,473)**
Income tax expense		-	-
Loss after income tax expense		**(914,342)**	**(752,473)**
Net loss attributable to members of Abra Mining Pty Limited		**(914,342)**	**(752,473)**
Other comprehensive income for the year		**-**	**-**
Total comprehensive loss for the year		**(914,342)**	**(752,473)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial Statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	6	128,333	1,319,669
Other Financial Assets	7	-	118,000
Other receivables	8	49,809	27,954
Other assets	9	4,645	26,003
Total current assets		**182,787**	**1,491,626**
Non-current assets			
Plant and equipment	10	83,279	130,660
Exploration and evaluation	11	26,716,193	26,321,283
Total non-current assets		**26,799,472**	**26,451,943**
Total assets		**26,982,259**	**27,943,569**
Current liabilities			
Trade and other payables	12	36,966	40,964
Provisions	13	11,750	54,719
Total current liabilities		**48,716**	**95,683**
Total liabilities		**48,716**	**95,683**
Net assets		**26,933,543**	**27,847,886**
Equity			
Contributed equity	14	40,635,397	40,635,397
Reserves	15	2,912,185	2,912,185
Accumulated losses	16	(16,614,039)	(15,699,696)
Total equity		**26,933,543**	**27,847,886**

The above Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
		$	$
Cash flows from operating activities			
Cash Received from government Rebate		(39,047)	
Interest received		5,902	29,730
Bank Fee paid		(4,371)	(4,446)
Payments to suppliers and employees		(905,110)	(919,529)
Net cash used in operating activities	**5**	**(942,626)**	**(894,245)**
Cash flows from investing activities			
Proceeds from sale of plant & equipment		5,797	-
Payments for exploration expenditure		(372,507)	(1,093,461)
Net cash used in investing activities		**(366,710)**	**(1,093,461)**
Cash flows from financing activities			
Proceeds from issue of shares			7,420,000
Cash paid on repayment of borrowing			(4,250,000)
Net cash from financing activities		**-**	**3,170,000**
Net increase/(decrease) in cash and cash equivalents		(1,309,335)	1,182,294
Movement of term deposit		118,000	-
Cash and cash equivalents at beginning of reporting period		1,319,669	137,375
Cash and cash equivalents at end of reporting period	**6**	**128,334**	**1,319,669**

The above Consolidated Statement of Cash flows should be read in conjunction with the notes to the financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Reserve-share based payment	Contributed equity	Accumulated losses	Total
		$	$	$	$
Balance at 1 January 2014		2,912,185	40,635,397	(15,699,696)	27,847,886
Loss for the period	16	-	-	(914,342)	(914,342)
Share issued	15	-	-	-	-
Employee equity settled		-	-	-	-
Total comprehensive income for the period		-	-	(914,342)	(914,342)
Balance at 31 December 2014		**2,912,185**	**40,635,397**	**(16,614,038)**	**26,933,544**
Balance at 1 January 2013		2,912,185	33,215,397	(14,947,223)	21,180,359
Loss for the period		-	-	(752,473)	(752,473)
Share issued		-	7,420,000	-	7,420,000
Employee equity settled		-	-	-	-
Total comprehensive income for the period		-	7,420,000	(752,473)	6,667,527
Balance at 31 December 2013		2,912,185	40,635,397	(15,699,696)	27,847,886

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements

Notes to the Consolidated Financial Statements

Note 1 - Basis of preparation and accounting policies

a) Basis of preparation

The consolidated financial report of Abra Mining Pty Limited and its controlled entity(the “Consolidated group” or the “Group”) for the year ended 31 December 2015 was authorized for issue in accordance with a resolution of the Directors.

Abra is a proprietary company limited by shares incorporated and domiciled in Australia.

The consolidated financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the Group is not a reporting entity.

The consolidated financial report is presented in Australian dollars.

b) Statement of compliance

The consolidated financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and the following applicable Accounting Standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1031 Materiality
- AASB 1048 Interpretation and Application of Standards

c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of Abra Mining Pty Ltd (“Abra”) and the entity it controls. A controlled entity is any entity over which Abra has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Consolidated group included Abra Mining Pty Ltd and Ashburton Development Pty Ltd.

Information from the financial statements of subsidiaries is included from the date the Group obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Group has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

d) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period’s taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements

Note 1- Basis of preparation and accounting policies (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

• when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized, except:

when the deferred income tax asset relating to the deductible temporary difference arises from 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 the accounting profit nor taxable profit or loss; and

• when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

e) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and

• Receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the relevant taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Notes to the Consolidated Financial Statements

Note 1- Basis of preparation and accounting policies (continued)

Cash flows are included in the Consolidated Statement of Cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the relevant taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the relevant taxation authority.

f) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned or assessed as not having economically recoverable reserves are written off in full against profit in the year in which the decision to abandon the area is made.

A periodic 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.

g) Plant and equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment costs.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Depreciation

The depreciable amount of all fixed assets is depreciated on either a diminishing value or straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	**Depreciation rate**
Office furniture	*7.50% to 37.25%*
Leasehold improvements	*37.5%*
Motor vehicles	*18.75%*
Plant and equipment	*5% to 50%*
Low value pool	*37.5%*

Notes to the Consolidated Financial Statements

Note 1- Basis of preparation and accounting policies (continued)

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, at each financial year end.

Gains or losses on disposals are determined by comparing proceeds with the net carrying amount. These are included in the Consolidated Statement of Comprehensive Income.

h) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

j) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand, cash on call and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

k) Impairment of assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value (less costs to sell) and value-in-use. It is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value (less costs to sell) and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value-in-use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

l) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in the respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

Notes to the Consolidated Financial Statements

Note 1- Basis of preparation and accounting policies (continued

m) Non- Interest bearing borrowings

All non-interest bearing loans and borrowings are initially recognised at their fair value of the consideration received.

n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

Contributions are made by the Group to employee superannuation and pension funds and are charged as expenses when incurred.

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid

When the liabilities are settled. The liability for long service leave is recognised and measured at its current dollar value.

o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified.

An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, and default payments or debts more than 90 days overdue (apart from GST), are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

r) Interest in a jointly controlled asset

The Group recognises its share of the asset, classified as an exploration and evaluation asset. In addition the Group recognises its share of liabilities, expenses and income from the use and output of the jointly controlled asset.

s) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Notes to the Consolidated Financial Statements

Note 1 Basis of preparation and accounting policies (continued)

Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets

and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions are as below.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, proven and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices and the successful issue of a mining license.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

t) Going Concern

The Consolidated Statement of Comprehensive Income shows the consolidated group incurred a net loss of $914,342 during the year ended 31st December 2015. The Consolidated Statement of Financial Position as at 31st of December 2015 shows that the consolidated group has cash and cash equivalents of $ 128,333.

The Directors do not therefore consider that there are currently any going concern issues and the accounts have therefore been prepared on the basis of a going concern.

Note 2 - New accounting standards and interpretations

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards or interpretations.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	$	$
Note 3 - Revenue		
Interest Revenue	5,212	29,740
Total revenue	**5,212**	**29,740**

Note 4 - Loss Before Income Tax

Net gains and expenses

Loss before related income tax expense includes the following net gains and expenses:

	2015	2014
Depreciation and impairment included in the statement of comprehensive income		
Depreciation	34,795	43,390
Total depreciation	**34,795**	**43,390**
Employee benefit expense		
Salaries and wages	579,697	554,313
Less: amounts deferred in exploration and evaluation	(224,589)	(256,373)
Total employee benefit expense	**355,108**	**297,940**
Lease payments included in statement of comprehensive income		
Minimum lease payments - operating lease	386,025	173,089
Total occupancy expense	**386,025**	**173,089**
Management Fee		
Management Fee Charge	-	60,000
Total Management Fee	**-**	**60,000**

Note 5 - Statement of cash flows

Reconciliation of loss after income tax to net cash used in operating activities:

	2015	2014
Loss after income tax	(914,342)	(752,473)
Depreciation	34,795	43,390
Gain on the sale of assets	6,787	-
Decrease/(increase) in receivables and other assets	(39,399)	6,210
(Decrease)/Increase in payables and accruals	11,075	(198,605)
Increase in provisions	(41,542)	7,233
Net cash flow (used in) / from operating activities	**(942,626)**	**(894,245)**

Notes to the Consolidated Financial Statements

	2015 $	2014 $
Note 6 - Cash and cash equivalents		
Current		
Cash at bank and on hand	115,445	1,182,357
Cash at call (interest bearing)	12,888	137,311
Total cash	**128,333**	**1,319,669**

	2015 $	2014 $
Note 7 - Receivable		
Current		
Deposit	-	118,000
Total other financial assets	**-**	**118,000**

(i) AUD$ 118,000 in the term deposit relates to a bank guarantee provided by the NAB to the landlord in relation to the lease premises at Level 1, 34 Colin Street, West Perth, WA 6005 ,in Oct-2015 the lease of the premises has expired , and the deposit has been used up for rehabilitation of the premises.

	2015 $	2014 $
Note 8 - Other receivables		
Current		
Accrued interest	-	690
Receivable from MMG	39,047	-
Goods and services tax receivable	10,762	27,264
Total other receivables	**49,809**	**27,954**

	2015 $	2014 $
Note 9 - Other assets		
Current		
Prepayments - Office rent	-	22,400
Prepayments - other	4,645	3,603
Total other assets	**4,645**	**26,003**

Notes to the Consolidated Financial Statements

	2015	2014
	$	$
Note 10 - Plant and equipment		
Motor Vehicles		
At cost	30,909	73,912
Accumulated depreciation	(18,352)	(43,526)
	12,557	**30,386**
Office furniture and equipment		
At cost	69,912	69,912
Accumulated depreciation	(67,410)	(65,621)
	2,502	**4,291**
Leasehold improvements		
At cost	1,455	1,455
Accumulated depreciation	(1,455)	(1,455)
	-	-
Low value pool		
At cost	20,997	21,997
Accumulated depreciation	(20,650)	(21,380)
	347	**617**
Plant and equipment		
At cost	617,920	631,551
Accumulated depreciation	(550,047)	(536,185)
	67,873	**95,366**
Total plant and equipment	**83,279**	**130,660**

Notes to the Consolidated Financial Statements

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

2015	Motor vehicles $	Office furniture $	Leasehold improvements $	Low value pool $	Plant & equipment $	Total $
Balance at beginning of period	**30,386**	**4,291**	**0**	**617**	**95,366**	**130,660**
Additions	-	-	-	-	-	-
Disposals	(43,002)	-	-	(999)	(13,630)	(57,631)
Depreciation (expense)/reversal	25,173	(1,789)		729	(13,863)	10,250
Carrying amount at 31 December 2015	**12,557**	**2,501**	**0**	**347**	**67,873**	**83,279**

2014	Motor vehicles $	Office furniture $	Leasehold improvements $	Low value pool $	Plant & equipment $	Total $
Balance at beginning of period	**36,460**	**9,157**	**130**	**950**	**127,353**	**174,050**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation (expense)/reversal	(6,074)	(4,866)	(130)	(333)	(31,987)	(43,390)
Carrying amount at 31 December 2014	**30,386**	**4,291**	**0**	**617**	**95,366**	**130,660**

Note 11 - Exploration and evaluation

	2015 $	2014 $
Note 11 - Exploration and evaluation		
Non-current		
Exploration expenditure brought forward	26,321,283	25,075,961
Exploration expenditure incurred during the year	394,910	1,245,322
Impairment of exploration expenditure (i)	-	-
Total exploration and evaluation	**26,716,193**	**26,321,283**

(i) The ultimate recoupment of costs carried forward is dependent upon the successful development and/or commercial exploitation.

Notes to the Consolidated Financial Statements

	2015 $	2014 $
Note 12 - Other payables		
Current		
Trade creditors and accruals	36,966	40,964
Payable to related party		
Total other payables	**36,966**	**40,964**
Note 13 - Provisions		
Current		
Employee entitlements - current	11,750	54,719
Total current provisions	**11,750**	**54,719**
Note 14 - Contributed Equity		
(a) Share capital		
Fully paid ordinary shares	**40,635,397**	**40,635,397**
(b) Movements in ordinary shares on issue		
At beginning of reporting period	40,635,397	33,215,397
Movement during the period		7,420,000
Balance at end of reporting period	**40,635,397**	**40,635,397**
Note 15 - Reserves		
Other reserve		
Balance at Beginning of reporting period	2,912,185	2,912,185
Transferred from share based payment reserve	-	-
Balance at end of reporting period	**2,912,185**	**2,912,185**

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 $	2014 $
Note 16 - Accumulated losses		
Accumulated losses at the beginning of reporting period	15,699,696	14,947,223
Total comprehensive loss for the period	914,342	752,473
Accumulated losses at end of the reporting period	**16,614,038**	**15,699,696**

Note 17 - Commitments for Expenditure

	2015 Tenements $	2014 Tenements $
Not later than 1 year	131,110	131,110
Later than 1 year but not later than 5 years	524,440	524,440
Total exploration commitments	**655,550**	**655,550**

	2015 $	2014 $
Operating lease commitments		
Not later than 1 year	-	162,785
Later than 1 year but not later than 5 years	-	-
Total operating lease commitments		**162,785**

The expenditure commitment on tenements will continue each year unless tenements are sold, transferred, relinquished or farmed-out and will increase if and when tenements under application have been granted. In 2013 Abra Mining has signed agreement with MMG Group to jointly develop All Abra exploration tenements except M52/776, MMG Group will take responsibility of spending on exploration of those tenements, Abra will only be committed to meeting the Mining Lease M52/776 expenditure requirement.

The Group has no capital commitments as at 31 December 2015 either in its own right or as a result of joint venture activities.

Notes to the Consolidated Financial Statements

Note 18 - Contingent liabilities

Native title claims have been made with respect to areas which include tenements in which the Group has interests. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects.

Note 19 - Auditors remuneration

Amounts payable or paid for auditing services	**15,000**	**20,000**

Note 20 - Matters subsequent to the end of the financial year

Subsequent to year-end the Group has signed the JV Agreement with MMG Exploration Pty Ltd and the agreement has been approved by the Ultimate parent company. During 2016 , MMG will take over maintenance and solely fund all Abra Exploration Tenements Lease.

No other matters or circumstance that have arisen since 31 December 2015 that have significantly affected, or may significantly affect:

(a) The Group's operations in future financial years, or
(b) The results of the operations in future financial years, or
(c) The Group's state of affairs in future financial years.

Note 21 - Related party disclosures

Ultimate parent

The ultimate parent of the Group is China Minmetals Corporation through its controlling interest in Hunan Nonferrous Metals Holding Group Co., Ltd. which controls Hunan Nonferrous Metals Corporation Limited, 100% holder of Abra Mining Pty Limited.

Director's Declaration

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors have determined that the Group is not a reporting entity and that this 'special purpose financial report' has been prepared in accordance with the accounting policies described in note 1 to the consolidated financial statements.

The directors of the Group declare that:

(a) There are reasonable grounds to believe that the Group will be able to pay their debts as and when they become due and payable; and

(b) The financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2015 and performance of the Group for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements..

Signed in accordance with resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Mingyan Wang	07/08/2016
Managing Director	Date:

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABRA MINING PTY LTD

We have audited the accompanying financial report, being a consolidated special purpose financial report of Abra Mining Pty Ltd and its controlled entity (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the entity and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the Group are responsible for the preparation of the consolidated 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 consolidated financial report based on our audit. We have 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 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 Group'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*.

PITCHER PARTNERS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABRA MINING PTY LTD

Opinion

In our opinion the consolidated financial report of Abra Mining Pty Ltd and its controlled entity is 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 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Emphasis of Matter

Without further modifying our opinion, we draw attention to Note 1 (t) to the special purpose financial report which indicates that as at 31 December 2015, the Group has cash and cash equivalents of $128,333 and incurred a net loss of $914,342 during the period ended 31 December 2015. These conditions, along with other matters set forth in Note 1 (t), indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group is dependent on the ongoing financial support of its parent company, which is unwilling to commit in writing that they will continue to support the Group financially to ensure that the Group meet all its liabilities as and when they fall due and to carry on its business.

Basis of Accounting

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

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

PAUL MULLIGAN
Executive Director
Perth
7 May 2016

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ABRA MINING PTY LTD

In relation to the independent audit for the year ended 31 December 2015, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

This declaration is in relation to Abra Mining Pty Ltd and the entity it controlled during the year.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

PAUL MULLIGAN
Executive Director
Perth
7 May 2016