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BURRABULLA CORPORATION LIMITED
(formerly South American Ferro Metals Limited)

ABN: 27 128 806 977

UNAUDITED HALF YEAR REPORT

**For the Half year ended
31 December 2016**

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CORPORATE DIRECTORY

DIRECTORS

James Ellingford	Non-Executive Director
Peter Wall	Non-Executive Director
Adam Blumenthal	Non-Executive Director

SECRETARY

Elizabeth Hunt

REGISTERED AND BUSINESS OFFICE

Level 11, London House
216 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

WEBSITE & EMAIL

www.burrabulla.com.au
admin@miningcorporate.com.au

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

AUDITORS

Ernst & Young
200 George Street
Sydney NSW 2000

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DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the year:

James Ellingford	Non-Executive Director (appointed 13 January 2016)
Peter Wall	Non-Executive Director (appointed 13 January 2016)
Adam Blumenthal	Non-Executive Director (appointed 13 January 2016)
Terence Willsteed	Non-Executive Chairman (removed 13 January 2016)
Stephen Turner	Managing Director (removed 13 January 2016)
Alan Doyle	Projects Director (removed 13 January 2016)

SHARE OPTIONS

As at the date of this report, there were 2,367,712 unlisted options of varying exercise prices and expiry dates over ordinary shares on issue that have been issued.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares as a result of the exercise of the options were issued as at the date of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Company is intended to be an exploration and mining company.

REVIEW OF RESULTS

The loss after tax for the half year ended 31 December 2016 was \$0.138m (2015: \$9.051m loss).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 24 April 2017 the Company announced that it had entered into a binding option agreement, pursuant to which a wholly owned subsidiary of the Company has the option to acquire a 100% interest in three highly prospective base metals projected owned by Teck Australia Pty Ltd, the Australian subsidiary of Canada's largest diversified resources company, Teck Resources Limited. The Board has indicative commitments from third parties to provide equity finance to the Company and therefore considers that the Company has strong prospects of continuing as a going concern into the future.

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DIVIDENDS

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

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

On 24 April 2017 the Company announced that it had entered into a binding option agreement, pursuant to which a wholly owned subsidiary of the Company has the option to acquire a 100% interest in three highly prospective base metals projected owned by Teck Australia Pty Ltd, the Australian subsidiary of Canada's largest diversified resources company, Teck Resources Limited. The Board has indicative commitments from third parties to provide equity finance to the Company and therefore considers that the Company has strong prospects of continuing as a going concern into the future.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2016 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.



Peter Wall
Non-Executive Director

29 May 2017



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Burrabulla Corporation Limited

As lead auditor for the review of Burrabulla Corporation Limited for the half year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Ryan Fisk
Partner
Sydney
29 May 2017

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**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Notes	Unaudited 31 December 2016 \$	Unaudited Consolidated 31 December 2015 \$
Other income/(expenses)			
Other income	3	-	87,999
Finance income		-	-
Administrative and other expenses	4	(137,299)	(12,677)
Recapitalisation gain/(loss)		-	(9,370,943)
Finance costs		(1,550)	-
Foreign exchange gain/(loss)		-	244,791
Share based payment credit/(expense)	11	-	-
Profit/(loss) before tax		(138,849)	(9,050,830)
Income tax benefit/(expense)		-	-
Net profit/(loss) for the year from operations		(138,849)	(9,050,830)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		-	8,959,704
Total comprehensive income/(loss) for the year		(138,849)	(91,126)
Profit/(loss) attributable to:			
Owners of the parent		(138,849)	(9,050,830)
Non-controlling interests		-	-
		(138,849)	(9,050,830)
Total comprehensive profit/(loss) attributable to:			
Owners of the parent		(138,849)	(91,126)
Non-controlling interests		-	-
		(138,849)	(91,126)
Basic and diluted earnings/(loss) per share (cents)	5	(0.00)	(0.51)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	Unaudited 31 December 2016 \$	Re-Styled* Consolidated 30 June 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	82,649	1,831
Trade and other receivables	7	14,338	21,674
Total Current Assets		96,987	23,505
Total Assets		96,987	23,505
LIABILITIES			
Current Liabilities			
Trade and other payables	8	372,937	310,606
Interest bearing loans and borrowings	9	150,000	-
Total Current Liabilities		522,937	310,606
Total Liabilities		522,937	310,606
Net (Deficiency)/Assets		(425,950)	(287,101)
EQUITY			
Contributed equity	10	48,538,788	48,538,788
Share based payments reserve	11	3,156,369	3,156,369
Retained earnings/(accumulated losses)	12	(52,121,107)	(51,982,258)
Total Equity		(425,950)	(287,101)

The accompanying notes form part of these financial statements.

*Some balances have been re-stated so as to take account of the adjustment to the share based payments reserve which occurred during the period 1 January 2016 to 30 June 2016.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Retained earnings / (accumulated losses) \$	Total \$
Consolidated Entity					
Balance at 1 July 2015	48,311,906	3,202,174	(8,959,704)	(54,318,262)	(11,763,886)
Profit/(loss) for the period	-	-	-	(9,050,830)	(9,050,830)
Other comprehensive income	-	-	8,959,704	-	8,959,704
Total comprehensive income for the period	-	-	8,959,704	(9,050,830)	(91,126)
Balance at 31 December 2015	48,311,906	3,202,174	-	(63,369,092)	(11,855,012)
Company					
Balance at 1 July 2016	48,538,788	3,156,369*	-	(51,982,258)*	(287,101)
Profit/(loss) for the period	-	-	-	(138,849)	(138,849)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(138,849)	(138,849)
Balance at 31 December 2016	48,538,788	3,156,369	-	(52,121,107)	(425,950)

The accompanying notes form part of these financial statements.

*These balances have been re-stated so as to take account of the adjustment to the share based payments reserve which occurred during the period 1 January 2016 to 30 June 2016.

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Note	31 December 2016 \$ Inflows/ (Outflows)	Consolidated 31 December 2015 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(62,182)	(2,688)
Payments for restricted cash		-	-
Taxation and other social taxes paid		-	-
Interest paid		-	-
		<hr/>	<hr/>
Net cash (used in) operating activities		(62,182)	(2,688)
Cash flows from financing activities			
Proceeds from borrowings		150,000	-
Repayment of borrowings		(7,000)	-
		<hr/>	<hr/>
Net cash provided from financing activities		143,000	-
Net increase/(decrease) in cash held		80,818	(2,688)
Cash and cash equivalents at beginning of the financial year		1,831	721,924
		<hr/>	<hr/>
Cash and cash equivalents at period/year end	6	82,649	719,236

The accompanying notes form part of these financial statements.

1. Corporate information

This Half Year Report covers Burrabulla Corporation Limited (formerly South American Ferro Metals Limited, the "Company"), a company incorporated in Australia, during the half year ended 31 December 2016. The presentation currency of the Company is Australian Dollars ("\$"). The Directors' report is not part of the financial statements. The Company is a for-profit entity and limited by shares incorporated in Australia whose shares and listed options were traded on the ASX under the codes "SFZ" and "SFZO" and the shares are now traded under the ASX code "BUA".

2. Accounting policies

Basis of preparation

Other than noted in the Incomplete records note below, the consolidated general purpose financial statements of the Company have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost base. It is recommended that the half year financial report be considered together with any public announcements made by the Company during the year ended 30 June 2016 and up to the issue date of this report, which the Company has made in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001*. The current Directors signing these financial statements were not in office during the voluntary administration, however the Directors have been in office for the duration of the half year for the six months ended 31 December 2016. The half year consolidated financial statements for the six months ended 31 December 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting. The half year financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2016.

Incomplete records

On 22 May 2015, the Board resolved to place the Company into voluntary administration and appointed Quentin Olde and Nathan Landrey of FTI Consulting on 22 May 2015 as joint and several administrators of the Company. At its request the Company was suspended from trading on the Australian Securities Exchange ("ASX") on 22 May 2015. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended as the administrators assumed control of the Company's business, property and affairs. On 13 January 2016 the shareholders of the Company resolved to end the voluntary administration and control was handed to a new Board of Directors. The Directors who prepared this financial report were appointed on 13 January 2016. Every reasonable effort has been made by the Directors to ascertain the true position of the Company as at 31 December 2015.

Going concern

At 31 December 2016, the Company had a net current asset deficiency and a net asset deficiency of \$0.426 million. On 24 April 2017 the Company announced that it had entered into a binding option agreement, pursuant to which a wholly owned subsidiary of the Company has the option to acquire a 100% interest in three highly prospective base metals projects owned by Teck Australia Pty Ltd, the Australian subsidiary of Canada's largest diversified resources company, Teck Resources Limited. The Board has indicative commitments from third parties to provide equity finance to the Company and therefore considers that the Company has strong prospects of continuing as a going concern into the future. The Directors acknowledge there is an inherent uncertainty in relation to achieving these outcomes of ensuring the Company will be operating as a going concern, however have a reasonable expectation that the Company will have adequate resources to realise its assets in the normal course of business and to repay its obligations as and when they fall due for the next 12 months and therefore have prepared the financial statement on a going concern basis.

a. Changes in accounting policies

There have been no new accounting standards or changes to accounting policies during the period that are applicable to the Company.

b. New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Company for the half year ended 31 December 2016. The Directors have not fully assessed the impact of these new standards (to the extent relevant to the Company) and interpretations.

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	Consolidated 31 December 2015 \$
3. Other income		
Extinguishment of debt	-	87,999
	-	87,999
4. Administrative and other expenses		
Accounting fees	5,384	-
Auditors' remuneration	15,000	10,000
Consulting fees	13,436	-
Depreciation not included in cost of goods sold	-	-
Directors and Key Management Personnel remuneration	90,000	-
Rent	-	-
Legal fees	-	-
Travel and accommodation	-	-
Other administrative expenses	13,479	2,677
	137,299	12,677

	31 December 2016	Consolidated 31 December 2015
5. Earnings/(loss) per share		
The following reflects the earnings/(loss) and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.		
Basic earnings/(loss) per share (cents per share)	(0.00)	(0.51)*
Diluted earnings/(loss) per share (cents per share)	(0.00)	(0.51)*
Net profit/(loss) attributable to shareholders (\$)	(138,849)	(9,050,830)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share	489,000,300	17,789,029*
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	489,000,300	17,789,029*

*Re-stated in the 2015 half year report as a result of the share consolidation and recapitalisation of the Company on 13 January 2016.

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	Consolidated 30 June 2016 \$
6. Cash and cash equivalents		
Cash at bank	<u>82,649</u>	1,831
	<u>82,649</u>	<u>1,831</u>
7. Trade and other receivables		
Prepayments	13,489	-
Tax refunds ¹	<u>849</u>	21,674
	<u>14,338</u>	<u>21,674</u>
¹ Tax refunds due relating to the relevant Goods and Services Tax paid in Australia.		
8. Trade and other payables		
Sundry creditors and accruals	341,562	235,000
Trade creditors	<u>31,375</u>	75,606
	<u>372,937</u>	<u>310,606</u>
9. Interest bearing loans and borrowings		
<u>Current</u>		
Convertible loan	<u>150,000</u>	-
	<u>150,000</u>	<u>-</u>

The conditions precedent for the convertible loan to convert into shares and options are such that the Company enters into a reverse takeover agreement; all of the conditions precedent to settlement under the reverse takeover agreement being satisfied (or waived) in accordance with the terms of the agreement; the lender executes a restriction agreement as required by Chapter 9 of the ASX Listing Rules; and the Company obtaining shareholder approval in a general meeting to convert the convertible loan into shares and options. In the event that the conditions precedent are not satisfied on or prior to 15 June 2017, the Company must repay to the lender all outstanding monies on the termination date. There is no interest payable on the convertible loan if it is converted into shares and options. There is interest payable at the rate of 20%pa from the drawdown date until the outstanding monies have been repaid if the convertible loan is not converted into shares and options. In the event that the conditions precedent are satisfied, on conversion the loan will be repaid through the issue of shares at a price equal to 50% at which the Company issues shares under a capital raising.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	31 December 2016		Consolidated 30 June 2016	
	No.	\$	No.	\$
10. Contributed equity				
Balance at beginning of year	489,000,300	48,538,788	489,000,300	48,538,788
Balance at end of period/year	489,000,300	48,538,788	489,000,300	48,538,788

The issued shares above rank pari-passu in all respects with existing ordinary shares.

Ordinary Shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management

Management controlled the capital of the Company in order to maintain a capital structure that ensured the lowest cost of capital available to the Company. Management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders.

	31 December 2016	Consolidated 30 June 2016
<u>Unlisted options</u>		
Balance at beginning of year	2,367,712	58,587,383
Options expired	-	(4,130,000)
Recapitalisation	-	(52,089,671)
Balance at end of period/year	2,367,712	2,367,712

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	Re-Stated* Consolidated 30 June 2016 \$	Consolidated 30 June 2016 \$
11. Share based payment reserve			
Balance at beginning of year	3,156,369	3,202,174	3,202,174
Amortisation of share based payment expense	-	211,049	211,049
Reversal due to forfeitures	-	(266,864)	-
Share based payment expense	-	10,010	10,010
Balance at end of period/year	3,156,369	3,156,369	3,423,233

	31 December 2016 \$	Re-Stated* Consolidated 30 June 2016 \$
12. Retained earnings/(accumulated losses)		
Balance at beginning of year	(51,982,258)	(54,318,262)
Profit/(loss) after tax attributable to the equity holders of the parent entity during the period/year	(138,849)	2,336,004
Balance at end of period/year	(52,121,107)	(51,982,258)

*These balances have been re-stated so as to take account of the adjustment to the share based payments reserve which occurred during the period 1 January 2016 to 30 June 2016.

13. Operating segments

The Company has determined operating segments based on the information provided to the Board of Directors. The Company operates predominantly in one business segment. There is no material difference between the financial information presented to the Board of Directors and the financial information presented in this report.

14. Events after the end of the reporting period

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

On 24 April 2017 the Company announced that it had entered into a binding option agreement, pursuant to which a wholly owned subsidiary of the Company has the option to acquire a 100% interest in three highly prospective base metals projected owned by Teck Australia Pty Ltd, the Australian subsidiary of Canada's largest diversified resources company, Teck Resources Limited. The Board has indicative commitments from third parties to provide equity finance to the Company and therefore considers that the Company has strong prospects of continuing as a going concern into the future.

15. Related party transactions

On 13 January 2016 a new Board was appointed, comprising:

James Ellingford – Non-Executive Director
Peter Wall – Non-Executive Director
Adam Blumenthal – Non-Executive Director
Elizabeth Hunt – Company Secretary

Steinepreis Paganin, a company of which Peter Wall is a partner, is a related party and fees of \$13,436 were incurred during the period ended 31 December 2016 (2015: \$Nil).

During the period a net loan of \$7,000 was repaid to Adam Blumenthal.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

In the opinion of the Directors of Burrabulla Corporation Limited

- a. the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position as at 31 December 2016 and the performance for the half year ended on that date of the Consolidated Entity; and
 - ii. complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Peter Wall
Non-Executive Director

29 May 2017

To the members of Burrabulla Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Burrabulla Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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 Burrabulla Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

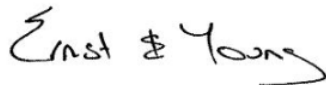
Conclusion

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

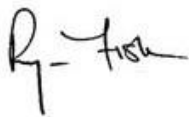
- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2 in the financial report which describes the principal conditions that raise doubts about the entity's ability to continue as a going concern. These conditions along with other matters disclosed in Note 2 indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



Ryan Fisk
Partner
Sydney
29 May 2017

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