



**Metals Finance Limited**

(ABN 83 127 131 604)

and its Controlled Entities

**Consolidated Interim Financial Report  
for the six months ended 28 February 2013**

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**DIRECTORY****CORPORATE INFORMATION****Registered Office**

Hemming + Hart Lawyers  
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Telephone: +61 7 3002 8700  
Facsimile: +61 7 3221 3068  
Website: [www.metalsfinance.com](http://www.metalsfinance.com)  
Email: [info@metalsfinance.com](mailto:info@metalsfinance.com)

**Directors**

Geoff Hill (Chairman)  
Tony Treasure (Managing Director)  
Richard Anthon (Non-Executive Director)  
Simon Bird (Non-Executive Director)

**Principal Place of Business**

Level 5, 307 Queen Street  
Brisbane, QLD, 4000  
Telephone: +61 7 3807 4166  
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**Solicitors**

Hemming + Hart Lawyers  
Level 5, 307 Queen Street  
Brisbane, QLD, 4000  
Telephone: +61 7 3002 8700  
Facsimile: +61 7 3221 3068

**Company Secretary**

Arno de Vos (Chief Financial Officer)  
Ian Morgan

**Share Registry**

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney, NSW, 2000  
Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

**Bankers**

Bank of Queensland – Australia

**Auditor**

BDO Audit Pty Ltd  
Level 18, 300 Queen Street  
Brisbane, QLD 4000

**Investor enquires**

Level 5, 307 Queen Street  
Brisbane, QLD, 4000  
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## DIRECTORS' REPORT

The Directors of Metals Finance Limited ("MFC" or "the Company") present their report for the half-year ended 28 February 2013. The Directors report as follows:

### Directors

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

#### Name

Geoff Hill (Chairman)	Appointed 09/03/2007
Tony Treasure (Managing Director)	Appointed 02/09/2003, Resigned 01/05/2013
Rick Anthon (Non-Executive Director)	Appointed 07/10/2009
Simon Bird (Non-Executive Director)	Appointed 13/07/2010

With the resignation of Tony Treasure as Managing Director, Mark Sykes was appointed as Chief Executive Officer on 1 May 2013.

### Background

The Company is pursuing a number of projects around the world. It is also seeking to expand its portfolio of development opportunities in areas such as:

- Medium sized, proven, high-grade primary resources
- Start up projects requiring demonstration of new technologies
- Mine waste dumps and tailings
- Smelter and solid industrial wastes
- Industrial waste materials and streams

There are many high-grade, small to medium sized metal recovery opportunities available for evaluation and, if selected, for development through Metals Finance Limited. They are widely varied in location and commodity, but are characteristically owned/controlled by parties who lack the funding, technical capability or business structure required for their development.

Access to development funding, application of key leading edge, metals recovery technologies and a highly skilled network of technical experts are all underlying factors in Metals Finance Limited's business strategy.

Metals Finance Limited employs both proven and novel metals recovery technologies that can be implemented quickly and in a modular fashion, in order to allow confirmation of project economics without protracted feasibility study. In many cases the first phase of the project is in essence the 'bankable feasibility study'. In order to execute this model, a thorough working knowledge of the capabilities of the technologies to be used is necessary. This is a key competence of the team and technical network established by Metals Finance Limited.

### Review and Results of Operations

The consolidated net loss after income tax for the half-year ended 28 February 2013 was \$325,600 (2012: \$4,977,652).

### State of Affairs

There has been no significant change in the Company's state of affairs during the reported period other than the items noted below.

1. The conditional sale of the Company's share in Metals Finance Africa Pty Ltd is still ongoing and finalisation of the sale is expected before year-end.
2. The Detailed Feasibility Study on the Barnes Hill nickel project in Tasmania was optimised in March 2013 and changed to use agitated tank leaching over the previous study that was based on using atmospheric vat leaching to recover the nickel from the nickel laterite deposit.
3. All of MFC's Australian nickel projects are now held in its wholly owned subsidiary Nickel Developments Limited being a separate corporate entity with its own management team.
4. MFC is investigating potential new nickel laterite, chrome and pyrite projects in Europe.

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

The auditor's independence declaration pursuant to Section 307C of the Corporations Act 2001 is set out on page 5.

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



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**Simon Bird**  
**Director**

Brisbane

6<sup>th</sup> May 2013

## DECLARATION OF INDEPENDENCE BY A S LOOTS TO THE DIRECTORS OF METALS FINANCE LIMITED

As lead auditor for the review of Metals Finance Limited for the half-year ended 28 February 2013, 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
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Metals Finance Limited and the entities it controlled during the period.



**A S Loots**  
Director

**BDO Audit Pty Ltd**  
Brisbane, 6 May 2013

## Consolidated Interim Statement of Comprehensive Income for the Half-Year Ended 28 February 2013

	Note	Consolidated Entity Half-Year Ended	
		28 February 2013 \$	29 February 2012 \$
<b>Revenue</b>			
Consulting revenue		20,000	24,698
Interest revenue		28,105	92,650
		<u>48,105</u>	<u>117,348</u>
<b>Other income</b>			
Gain on sale of property, plant and equipment		4,859	-
		<u>52,964</u>	<u>117,348</u>
<b>Expenses</b>			
Employee expenses		(117,040)	(579,640)
Depreciation and amortisation expense		(7,543)	(11,227)
Foreign exchange loss		(53,333)	(114,203)
Finance costs		(429)	(1,539)
Other expenses from ordinary activities			
Project and feasibility costs		(207,844)	(574,118)
Administration		(519,507)	(455,393)
Impairment of property, plant and equipment		(60,566)	(60,566)
Impairment of available-for-sale financial assets	2(a)	-	(3,118,512)
Fair value loss on financial assets at fair value through profit or loss	2(b)	-	(404,891)
<b>Loss before income tax benefit</b>		<u>(913,298)</u>	<u>(5,202,741)</u>
<b>Income tax benefit</b>		<u>587,698</u>	<u>225,089</u>
<b>Loss after income tax</b>		<u>(325,600)</u>	<u>(4,977,652)</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		59,906	128,820
Changes in the fair value of available-for-sale financial assets	2(a)	89,240	(1,823,314)
Income tax on other comprehensive income		-	-
<b>Total other comprehensive income</b>		<u>149,146</u>	<u>(1,694,494)</u>
<b>Total comprehensive income</b>		<u>(176,454)</u>	<u>(6,672,146)</u>
<b>Loss after income tax attributable to:</b>			
Owners of the Parent Entity		(273,070)	(4,774,475)
Non-controlling Interest		(52,530)	(203,177)
		<u>(325,600)</u>	<u>(4,977,652)</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent Entity		(153,877)	(6,533,379)
Non-controlling Interest		(22,577)	(138,767)
		<u>(176,454)</u>	<u>(6,672,146)</u>
		<b>Cents per share</b>	<b>Cents per share</b>
<b>Loss per share:</b>			
Basic loss		(0.45)	(6.81)
Diluted loss		(0.45)	(6.81)

The Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements

## Consolidated Interim Balance Sheet as at 28 February 2013

	Note	Consolidated Entity	
		28 February 2013 \$	31 August 2012 \$
<b>Current Assets:</b>			
Cash and cash equivalents		1,293,754	1,635,682
Trade and other receivables		25,892	110,493
Financial assets at fair value through profit or loss	2(b)	3,333	3,333
<b>Total Current Assets</b>		<b>1,322,979</b>	<b>1,749,508</b>
<b>Non-Current Assets:</b>			
Trade and other receivables		150,109	140,510
Property, plant and equipment		77,998	175,355
Available-for-sale financial assets	2(a)	327,214	237,974
<b>Total Non-Current Assets</b>		<b>555,321</b>	<b>553,839</b>
<b>Total Assets</b>		<b>1,878,300</b>	<b>2,303,347</b>
<b>Current Liabilities:</b>			
Trade and other payables		121,272	369,797
Provisions		82,766	67,724
Interest bearing loans and borrowings		607,999	599,810
<b>Total Current Liabilities</b>		<b>812,037</b>	<b>1,037,331</b>
<b>Non-Current Liabilities:</b>			
Interest bearing loans and borrowings		-	23,299
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>23,299</b>
<b>Total Liabilities</b>		<b>812,037</b>	<b>1,060,630</b>
<b>Net Assets</b>		<b>1,066,263</b>	<b>1,242,717</b>
<b>Equity:</b>			
Contributed equity	5	22,083,126	22,083,126
Reserves		600,129	480,936
Accumulated losses		(20,974,635)	(20,701,565)
<b>Total equity attributable to the equity holders of the Company</b>		<b>1,708,620</b>	<b>1,862,497</b>
Non-controlling Interest		(642,357)	(619,780)
<b>Total Equity</b>		<b>1,066,263</b>	<b>1,242,717</b>



## Consolidated Interim Statement of Changes in Equity for the Half-Year Ended 28 February 2013

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Parent Equity \$	Non-Controlling Interest \$	Total \$
<b>Balance at 1 September 2011</b>	22,083,126	2,112,736	(14,218,735)	9,977,127	(416,689)	9,560,438
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Total comprehensive income</b>						
Loss after income tax for the half-year	-	-	(4,774,475)	(4,774,475)	(203,177)	(4,977,652)
Foreign currency translation differences for foreign operations	-	64,410	-	64,410	64,410	128,820
Changes in the fair value of available-for-sale financial assets	-	(1,823,314)	-	(1,823,314)	-	(1,823,314)
Total comprehensive income for the half-year	-	(1,758,904)	(4,774,475)	(6,533,379)	(138,767)	(6,672,146)
<b>Balance at 29 February 2012</b>	<b>22,083,126</b>	<b>353,832</b>	<b>(18,993,210)</b>	<b>3,443,748</b>	<b>(555,456)</b>	<b>2,888,292</b>
<b>Balance at 1 September 2012</b>	22,083,126	480,936	(20,701,565)	1,862,497	(619,780)	1,242,717
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Total comprehensive income</b>						
Loss after income tax for the half-year	-	-	(273,070)	(273,070)	(52,530)	(325,600)
Foreign currency translation differences for foreign operations	-	29,953	-	29,953	29,953	59,906
Changes in the fair value of available-for-sale financial assets	-	89,240	-	89,240	-	89,240
Total comprehensive income for the half-year	-	119,193	(273,070)	(153,877)	(22,577)	(176,454)
<b>Balance at 28 February 2013</b>	<b>22,083,126</b>	<b>600,129</b>	<b>(20,974,635)</b>	<b>1,708,620</b>	<b>(642,357)</b>	<b>1,066,263</b>

The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

## Consolidated Interim Statement of Cash Flows for the Half-Year Ended 28 February 2013

	<b>Consolidated Entity</b>	
	<b>Half-Year Ended</b>	
	<b>28 February 2013</b>	29 February 2012
	\$	\$
<b>Cash Flows Used In Operating Activities:</b>		
Cash receipts in the course of operations	27,534	2,102
Interest received	28,105	180,534
Cash payments in the course of operations	(1,054,140)	(1,432,374)
Finance costs paid	(429)	(1,539)
Income tax benefit received	587,698	225,089
<b>Net Cash Used In Operating Activities</b>	<b>(411,232)</b>	<b>(1,026,188)</b>
<b>Cash Flows Used In Investing Activities:</b>		
Payments for property, plant and equipment	-	(7,240)
Proceeds from sale of property, plant and equipment	34,108	-
<b>Net Cash Received From / (Used In) Investing Activities</b>	<b>34,108</b>	<b>(7,240)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from borrowings	15,504	262,439
Principal repayment - finance leases	(30,614)	(3,431)
<b>Net Cash (Used In) / Received From Financing Activities</b>	<b>(15,110)</b>	<b>259,008</b>
Net decrease in cash and cash equivalents	(392,234)	(774,420)
Net foreign exchange differences	50,306	-
Cash and cash equivalents at beginning of financial period	1,635,682	3,426,061
<b>Cash and Cash Equivalents at End of Financial Period</b>	<b>1,293,754</b>	<b>2,651,641</b>

Notes to the Consolidated Interim Financial Report

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES**Reporting Entity

Metals Finance Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 28 February 2013 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 31 August 2012.

This consolidated interim financial report was approved by the Board of Directors on 3 May 2013.

Accounting Policies

The accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in the previous financial year and corresponding interim reporting period.

Estimates

The preparation of interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 August 2012.

Going Concern

The Consolidated Entity incurred a net loss of \$325,600 for the half-year ended 28 February 2013. As at 28 February 2013 the Consolidated Entity has cash and cash equivalents of \$1,293,754, net current assets of \$510,942 and net assets of \$1,066,263.

Current operating cash inflows are not sufficient to continue to fund operations and based on current and projected expenditure levels required to meet minimum commitments and operating expenses management anticipates that a capital raising may be required to continue to fund operations.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Consolidated Entity to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value from its projects that are under development.

These conditions give rise to a material uncertainty over the Consolidated Entity's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets to operate in the ordinary course of business, further reduce expenditure and operate at amounts that differ from those stated in the financial statements.

This interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

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## Notes to the Consolidated Interim Financial Report (continued)

**2. OTHER FINANCIAL ASSETS****(a) Available-for-Sale Financial Assets**

At 28 February 2013 the Consolidated Entity held 29,746,778 ordinary shares representing 9.61% interest in ASX listed entity Bass Metals Ltd which was valued at \$327,214 based on market bid price at 28 February 2013 of 1.1 cents.

In the previous corresponding period at 29 February 2012 Metal Finance Limited's shareholding in Bass Metals Limited (BSM) was 29,746,778 shares, representing a 10.1% interest in BSM. On 23 January 2012 BSM entered into a voluntary trading halt while it re-negotiated the terms of its financing arrangements and reviewed operational strategies. The trading halt was subsequently lifted on 26 March 2012. Based on a weighted average price over a period of 10 days since trading re-commenced the Consolidated Entity determined the underlying share price of BSM as at 29 February 2012 to be 1.85 cents equating to an investment value of \$550,315. This write-down of the investment value resulted in the elimination of the investment reserve of \$1,823,314 and an impairment expense being recognised in the Statement of Comprehensive Income of \$3,118,512. At the time when the 29 February 2012 results were released on 9 May 2012 the share price of BSM has declined further and was trading at approximately 0.7 cents resulting in a material decrease in the value of the Company's investment by approximately \$342,088. The impact of this was not reflected in the financial statements at 29 February 2012.

**(b) Financial Assets at Fair Value through Profit and Loss**

At 28 February 2013 the Consolidated Entity held 3,333,333 listed options over Bass Metals Ltd shares. The options were reflected at a value of 0.1 cents being the market bid price at 28 February 2013. The options reflect the same for 31 August 2012.

In the previous corresponding period the Consolidated Entity held 3,333,333 listed options in BSM. As mentioned above BSM were in a trading halt at 29 February 2012 and the Consolidated Entity has determined an option price of 0.17 cents at 29 February 2012 using a weighted average price over a period of 10 days since trading re-commenced on 26 March 2012. The option price adopted has resulted in a fair value reduction of \$404,891 being recognised in the Statement of Comprehensive Income. This fair value adjustment equates to an options value of \$5,667 as at 29 February 2012.

Each option has an exercise price of 20 cents and expires on 30 June 2014.

## Notes to the Consolidated Interim Financial Report (continued)

**3. SEGMENT REPORTING**

The Company has identified the operating segments based on internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments identified are based on geographical location, different risk profiles and performance assessment criteria. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

As at 28 February 2013, the Consolidated Entity was operating primarily in two reportable segments being the resource industry and specifically metals recovery and production in Australia and Africa.

Reportable segment information is as follows:

<b>Half-Year Ended 28 February 2013</b>	<b>Australia</b>	<b>Africa</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue:</b>			
Revenue from outside the Consolidated Entity	48,105	-	<b>48,105</b>
Other unallocated revenue	-	-	-
<b>Revenue from Ordinary Activities</b>	<b>48,105</b>	<b>-</b>	<b>48,105</b>
<b>Result:</b>			
Segment result	(808,239)	(105,059)	<b>(913,298)</b>
Loss before income tax			<b>(913,298)</b>
Income tax benefit			<b>587,698</b>
<b>Net loss after income tax for the half year</b>			<b>(325,600)</b>
<b>Half-Year Ended 29 February 2012</b>	<b>Australia</b>	<b>Africa</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue:</b>			
Revenue from outside the Consolidated Entity	117,348	-	<b>117,348</b>
Other unallocated revenue	-	-	-
<b>Revenue from Ordinary Activities</b>	<b>117,348</b>	<b>-</b>	<b>117,348</b>
<b>Result:</b>			
Segment result	(4,796,386)	(406,355)	<b>(5,202,741)</b>
Loss before income tax			<b>(5,202,741)</b>
Income tax benefit			<b>225,089</b>
<b>Net loss after income tax for the half year</b>			<b>(4,977,652)</b>
<b>Total segment assets</b>	<b>Australia</b>	<b>Africa</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
28 February 2013	1,877,484	816	<b>1,878,300</b>
31 August 2012	2,299,629	3,718	<b>2,303,347</b>

**4. DIVIDENDS**

During the half year, no dividends were paid or provided for (2012: \$Nil).

Notes to the Consolidated Interim Financial Report (continued)

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**5. CONTRIBUTED EQUITY**

	<b>28 Feb 2013</b>	<b>31 Aug 2012</b>
Issued Capital - Number of shares	<u>73,109,576</u>	<u>73,109,576</u>
Value of Issued Capital	<u>\$ 22,083,126</u>	<u>\$ 22,083,126</u>

**6. CONTINGENT LIABILITIES AND ASSETS**

The Consolidated Entity has no known contingent assets or contingent liabilities at 28 February 2013.

**7. SUBSEQUENT EVENTS**

There has not arisen between the end of the financial half-year and the date of this Report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of these operations, or the state of affairs of the Consolidated Entity, in future financial periods.

**Directors' Declaration for the half year ended 28 February 2013**

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 28 February 2013 and of its performance for the financial half-year ended on that date; and
- 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 2001.

On behalf of the Directors



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**Simon Bird**  
**Director**

Brisbane

6<sup>th</sup> May 2013

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Metals Finance Limited

We have reviewed the accompanying half-year financial report of Metals Finance Limited, which comprises the consolidated interim balance sheet as at 28 February 2013, and the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim 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 disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

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

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 28 February 2013 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 Metals Finance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

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





## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metals Finance 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 28 February 2013 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that Metals Finance Limited incurred a net loss of \$325,600 during the half-year ended 28 February 2013. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'ASL'.

A S Loots

Director

Brisbane, 6 May 2013