



**NAVAHO GOLD LIMITED  
AND CONTROLLED ENTITIES**  
ACN: 068 958 752

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED**  
**31 DECEMBER 2014**

For personal use only

## Corporate Information

### DIRECTORS

Nicholas Mather  
Brian Moller  
Neil Stuart  
David Mason

### COMPANY SECRETARY

Karl Schlobohm

### REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

Navaho Gold Limited  
Level 27  
111 Eagle Street  
Brisbane QLD 4000  
Phone: + 61 7 3303 0680  
Fax: +61 7 3303 0681

### SOLICITORS

HopgoodGanim  
Level 8, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

### SHARE REGISTER

Computershare Investor Service Pty Ltd  
117 Victoria Street  
West End Qld 4101

### AUDITORS

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane Qld 4000

### COUNTRY OF INCORPORATION

Australia

### STOCK EXCHANGE LISTING

Australian Securities Exchange  
ASX Code: NVG

### INTERNET ADDRESS

[www.navahogold.com](http://www.navahogold.com)

### AUSTRALIAN BUSINESS NUMBER

ABN 79 068 958 752

For personal use only

## Directors' Report

Your Directors present their report on the company and its controlled entities for the half-year ended 31 December 2014. Navaho Gold Limited (the "Company") is a public company limited by shares that is incorporated and domiciled in Australia.

### DIRECTORS

The names of the Directors in office at any time during or since the end of the period are:

Nicholas Mather (Non-Executive Chairman)  
Brian Moller (Non-Executive Director)  
Karl Schlobohm (Non-Executive Director) - resigned 3 October 2014  
Neil Stuart (Non-Executive Director) - appointed 3 October 2014  
David Mason - appointed 22 December 2014

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

### PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (together "Navaho" or the "Group") are gold and mineral exploration in Nevada and New Mexico in the USA, coal exploration in Argentina, and oil & gas exploration in Australia. There was no significant change in the nature of the activities of the Group during the period ended 31 December 2014.

### REVIEW AND RESULTS OF OPERATIONS

The loss after income tax for the Group for the half-year ended 31 December 2014 was \$493,887(31 December 2013: \$348,723).

During the half year ended 31 December 2014, the Company achieved the following milestones:

- Following approval by shareholders, completed a scrip-for-scrip acquisition of Excarb Pty Ltd which holds an interest in the Marayes Coal Projects in Argentina (refer below).
- Continued desk-top studies and a detailed review of historical data associated with the Company's oil & gas projects, being ATP1183 (Roma Shelf) in Queensland, and its six (6) PLAs in the Pirie Torrens Basin of South Australia, containing the historic Wilkatana Oilfield.
- Completed two share placements and a rights issue, raising a combined total of \$727,936, including the conversion of debts owed to Directors, management and other parties.
- Continued its ongoing negotiations with its US joint venture partners in relation to the nature and structure of the Carlin East and New Mexico gold projects in Nevada and New Mexico, respectively.
- Appointed Mr Neil Stuart and Mr David Mason to the Board of the Company as Non-Executive Directors, bring with them a combined total of over 75 years of corporate and geological experience in the international resources industry.

As outlined above, during the period the Company acquired (via the Excarb transaction) an interest in the Marayes Coal Projects in the San Juan province in central western Argentina. The coals are hosted in Triassic aged rock units. Shallow coal mining activities took place during the First World War, and again in the 1940's and early 1950's, principally to fuel steam locomotives. Essentially no exploration has been carried out in the area since this time, and no mining. The coal occurs in 6 main banded seams which can be up to or in excess of 2m thick with the coal content making up approximately 90% of the whole seam. The seams dip at 5 to 15 degrees to the west and extend over approximately 50km of strike length north to south on the existing tenements.

Market opportunities exist for local industrial plants and new power generation facilities within the San Juan, and adjacent provinces. Navaho has commenced a marketing study to identify the various existing industrial plants and initial results show significant potential for coal to be supplied to cement, lime, mineral processing and agribusinesses in these provinces. Navaho will also consider a supply to the existing coal fired power station near Rosario port on the Rio Parana, which currently utilises imported coal. Exporting coal through the ports of Santa Fe or Rosario (some 600km to the east of the mining project on the existing rail network) is also a possibility.

---

## REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

### MATTERS SUBSEQUENT TO THE HALF YEARLY FINANCIAL PERIOD

There have been no events since the end of the half year that impact the financial report as at 31 December 2014.

### AUDITOR'S INDEPENDENCE DECLARATION

The Directors received an independence declaration from the auditor of Navaho Gold Limited. This is attached on page 5 of this report.

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



Nicholas Mather  
Director

Brisbane  
13 March 2015

For personal use only

## DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF NAVAHO GOLD LIMITED

As lead auditor for the review of Navaho Gold Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Navaho Gold Limited and the entities it controlled during the period.



T J Kendall  
Director

**BDO Audit Pty Ltd**  
Brisbane, 13 March 2015

For personal use only

## Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2014

	Notes	31 December 2014 A\$	31 December 2013 A\$
<b>Revenue</b>	3	<b>15,334</b>	<b>1,446</b>
Employee benefits expense		(31,385)	(24,169)
Exploration costs written-off		(137,649)	(8,831)
Legal expense		(12,069)	(10,326)
Administration and consulting expense		(328,118)	(306,587)
Finance costs		-	(256)
<b>Loss before income tax</b>		<b>(493,887)</b>	<b>(348,723)</b>
Income tax expense		-	-
<b>Loss for the period</b>	3	<b>(493,887)</b>	<b>(348,723)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<b>(493,887)</b>	<b>(348,723)</b>

	Notes	2014 cents	2013 cents
<b>Basic and diluted loss per ordinary share</b>			
- basic and diluted loss per ordinary share (cents per share)	4	<b>(0.1)</b>	<b>(0.1)</b>

The above consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements.

For personal use only

## Consolidated Statement of Financial Position

at 31 December 2014

	Notes	31 December 2014 A\$	30 June 2014 A\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	179,619	11,606
Trade and other receivables		16,302	16,308
<b>Total current assets</b>		<b>195,921</b>	<b>27,914</b>
<b>Non-current assets</b>			
Other financial assets		68,863	67,463
Property, plant and equipment		3,105	4,227
Exploration and evaluation assets	6	2,010,508	1,956,510
<b>Total non-current assets</b>		<b>2,082,476</b>	<b>2,028,200</b>
<b>Total assets</b>		<b>2,278,397</b>	<b>2,056,114</b>
<b>Current liabilities</b>			
Trade and other payables		340,264	521,130
<b>Total current liabilities</b>		<b>340,264</b>	<b>521,130</b>
<b>Non-current liabilities</b>			
Deferred tax liability		5,538	5,538
<b>Total non-current liabilities</b>		<b>5,538</b>	<b>5,538</b>
<b>Total liabilities</b>		<b>345,802</b>	<b>526,668</b>
<b>Net assets</b>		<b>1,932,595</b>	<b>1,529,446</b>
<b>Equity</b>			
Issued capital	7	13,875,177	12,978,141
Reserves		829,762	829,762
Accumulated losses		(12,772,344)	(12,278,457)
<b>Total equity</b>		<b>1,932,595</b>	<b>1,529,446</b>

The above consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

For personal use only

## Consolidated Statement of Changes in Equity for the half-year ended 31 December 2014

	Issued capital \$	Accumulated losses \$	Option Reserves \$	Total \$
<b>Balance at 1 July 2013</b>	<b>12,145,196</b>	<b>(8,295,062)</b>	<b>829,762</b>	<b>4,679,896</b>
Net loss for the period	-	(348,723)	-	(348,723)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(348,723)	-	(348,723)
Shares issued during the period	905,920	-	-	905,920
Share issue costs	(72,975)	-	-	(72,975)
<b>Balance at 31 December 2013</b>	<b>12,978,141</b>	<b>(8,643,785)</b>	<b>829,762</b>	<b>5,164,118</b>
Net loss for the period	-	(3,634,672)	-	(3,634,672)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(3,634,672)	-	(3,634,672)
<b>Balance at 30 June 2014</b>	<b>12,978,141</b>	<b>(12,278,457)</b>	<b>829,762</b>	<b>1,529,446</b>
Net loss for the period	-	(493,887)	-	(493,887)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(493,887)	-	(493,887)
Shares issued during the period	907,056	-	-	907,056
Share issue costs	(10,020)	-	-	(10,020)
<b>Balance at 31 December 2014</b>	<b>13,875,177</b>	<b>(12,772,344)</b>	<b>829,762</b>	<b>1,932,595</b>

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

For personal use only



## Consolidated Statement of Cash Flows for the half-year ended 31 December 2014

	Notes	31 December 2014 A\$	31 December 2013 A\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(178,860)	(336,093)
Interest received	3	520	1,446
Interest paid		-	(256)
<b>Net cash outflow from operating activities</b>		<b>(178,340)</b>	<b>(334,903)</b>
<b>Cash flows from investing activities</b>			
Cash acquired on acquisition of subsidiary		1,013	-
Refunds of (payments for) security deposits		14,815	22,500
Payments for exploration and evaluation		(159,686)	(469,828)
<b>Net cash outflow from investing activities</b>		<b>(143,858)</b>	<b>(447,328)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of ordinary share capital		500,230	816,500
Payment of share issue costs		(10,019)	(46,778)
Repayment of finance lease liabilities		-	-
<b>Net cash inflow from financing activities</b>		<b>490,211</b>	<b>769,722</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>168,013</b>	<b>(12,510)</b>
Cash and cash equivalents at beginning of period		11,606	75,846
<b>Cash and cash equivalents at end of period</b>	5	<b>179,619</b>	<b>63,336</b>

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

## Notes to the Consolidated Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Corporate information

The financial report of Navaho Gold Limited (the “Company”) for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 13 March 2015. Navaho Gold Limited is a public company limited by shares that is incorporated and domiciled in Australia.

#### Basis of preparation

This general purpose financial report for the half-year ended 31 December 2014 has been prepared in accordance with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, this half year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been followed in this half-year financial report as compared with the most recent annual financial report.

#### Going concern

The half-year report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group has not generated revenues from operations. As such, the Group’s ability to continue to adopt the going concern assumption will depend upon a number of matters including subsequent successful raising, in the future of necessary funding and the successful exploration, and subsequent exploitation of the Group’s tenements. The Group is currently continuing with the review of a number of strategic and funding opportunities. In the interim, the Group’s major shareholder, DGR Global Ltd has guaranteed financial support for the next twelve months or until such time a strategic or funding opportunity has been finalised. The Directors have expectations that progress of a strategic and funding opportunity will be successful.

In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the ordinary course of business and at the amounts stated in the financial report.

#### Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

For personal use only

## Notes to the Consolidated Financial Statements

### NOTE 2 SEGMENT INFORMATION

Navaho Gold Limited operates predominantly in one business being in the mining industry, and two geographic locations, being Australia and the Americas. No sales revenue from this activity has been earned to date as Navaho Gold Limited is still in the exploration and evaluation stage.

Geographical Segment	Australia		Americas		Eliminations		Total	
	31 December		31 December		31 December		31 December	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	520	1,446	14,814	-	-	-	15,334	1,446
Operating result	(370,934)	(336,705)	(122,953)	(12,018)	-	-	(493,887)	(348,723)

Geographical Segment	Australia		Americas		Eliminations		Total	
	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June
	2014	2014	2014	2014	2014	2014	2014	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	3,406,152	3,312,768	1,851,520	1,808,626	(2,984,060)*	(3,065,280)*	2,273,612	2,056,114

\*These eliminations relate to intercompany loans.

#### Segment asset increases for the period

Exploration and evaluation assets	11,994	21,241	137,066	405,811	-	-	149,060	427,052
-----------------------------------	--------	--------	---------	---------	---	---	---------	---------

## Notes to the Consolidated Financial Statements

	31 December 2014 A\$	31 December 2013 A\$
--	----------------------------	----------------------------

### NOTE 3 REVENUES AND EXPENSES

Included in the profit / (loss) are the following revenues and expenses:

Interest revenue - external parties	520	1,446
	<b>520</b>	<b>1,446</b>

Depreciation

- Office equipment	1,123	843
Defined contribution superannuation expense	-	-

### NOTE 4 LOSS PER SHARE

Earnings in cents per ordinary share:

Basic loss per share - cents	(0.1)	(0.1)
Diluted loss per share - cents	(0.1)	(0.1)
Net loss used in calculating basic and diluted loss per share	(493,887)	(348,723)

	Number	Number
Weighted average number of ordinary share used in the calculation of basic estimated diluted loss per share	416,713,890	254,788,751

The options are non-dilutive as the Group is in losses.

	31 December 2014 A\$	30 June 2014 A\$
--	----------------------------	------------------------

### NOTE 5 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	179,619	63,336
Short-term deposits	-	-
	<b>179,619</b>	<b>63,336</b>

## Notes to the Consolidated Financial Statements

	31 December 2014 A\$	30 June 2014 A\$
--	----------------------------	------------------------

### NOTE 6 EXPLORATION AND EVALUATION ASSETS

Carrying amount at the beginning of the period	1,956,510	4,832,220
Additions	149,060	427,052
Additions - acquisition of Excarb Pty Ltd	42,587	-
Exploration expenditure written off	(137,649)	(3,302,762)
Carrying amount at the end of the period	<b>2,010,508</b>	<b>1,956,510</b>

### NOTE 7 ISSUED CAPITAL

#### a) Issued capital

580,678,907 (30 June 2014: 278,243,741) ordinary shares fully paid up	15,110,550	14,203,244
Share issue costs	(1,235,373)	(1,225,104)
	<b>13,875,177</b>	<b>12,978,140</b>

#### b) Movement in ordinary shares

	No. of Shares	No. of Shares
At the beginning of the reporting period	278,243,741	206,185,765
Shares issued during the period	302,435,166	72,057,976
At reporting date	<b>580,678,907</b>	<b>278,243,741</b>

#### c) Movement in number of ordinary shares on issue

	No. of Shares	A\$
Shares at the beginning of the reporting period	206,185,765	13,297,324
- 23 August 2013 (1)	38,000,020	494,000
- 4 September 2013 (2)	30,833,340	370,000
- 24 September 2013 (3)	3,224,616	41,920
- 18 August 2014 (4)	82,111,112	246,333
- 26 September 2014 (5)	96,895,387	290,686
- 2 October 2014 (6)	44,512,000	133,537
- 19 December 2014 (7)	78,916,667	236,750
Shares at the reporting date	<b>580,678,907</b>	<b>15,110,550</b>

- (1) On 23 August 2013, a total 38,000,000 \$0.013 ordinary shares were issued pursuant to a private placement.
- (2) On 4 September 2013, a total of 30,833,340 \$0.012 ordinary shares were issued pursuant to a share purchase plan.
- (3) On 24 September 2013, a total of 3,224,616 \$0.013 ordinary shares were issued. Of this total, 2,455,385 shares were issued to Columbus Gold (US) Corporation in relation to the Utah Clipper project in Nevada and 769,231 shares were issued as partial consideration of outstanding administration fees to DGR Global Ltd.
- (4) On 18 August 2014, a total of 82,111,112 \$0.003 ordinary shares were issued pursuant to a private placement. Of this total, 15,277,778 shares were issued as partial consideration for outstanding fees owed to Directors.
- (5) On 26 September 2014, a total of 96,895,387 \$0.003 ordinary shares were issued pursuant to a rights issue.
- (6) On 2 October 2014, a total of 44,512,000 \$0.003 ordinary shares were issued. Of this total, 10,000,000 shares were issued to the vendors of Excarb Pty Ltd and the remaining shares were issued to Directors and DGR Global Ltd in consideration for outstanding fees.
- (7) On 19 December 2014, a total of 78,916,667 \$0.003 ordinary shares were issued on completion of the shortfall share placement from the non-renounceable rights issue.

For personal use only

## Notes to the Consolidated Financial Statements

### NOTE 8 COMMITMENTS AND CONTINGENT LIABILITIES

There are no significant changes to future exploration commitments and contingencies disclosed in the most recent annual financial report.

Subsequent to year end, the Company's US subsidiary CED Gold LLC ("CED") received a legal claim against it by Genesis Gold Corporation in the state of Nevada, USA. The legal claim has arisen from an option agreement entered into in respect of the Carlin East Project.

The legal dispute centres on the legal framework of the ownership of the Carlin East Project, and the financial commitments associated therewith, which the Company and Genesis Gold have been negotiating on these matters for some months.

The Directors of the Company believe there are good grounds for CED to contest this action and advise that CED intends to vigorously defend the legal claim. Accordingly, no provision has been recognised in the half-yearly financial statements as it relates to this dispute.

The Directors are not aware of any other contingent liabilities that need to be disclosed.

### NOTE 9: FINANCIAL INSTRUMENTS

There are no financial assets or liabilities measured at fair value in the statement of financial position.

The carrying value of all financial assets and liabilities not measured at fair value in the statement of financial position approximate their fair value.

### NOTE 10: EVENTS AFTER THE BALANCE DATE

Apart from the matters disclosed in the half year financial report, there have been no other events since the end of the half year that impact the financial report as at 31 December 2014.

## Director's Declaration

The Directors of the Company declare that:

1. The attached financial report and notes, is in accordance with the *Corporations Act 2001* including:
  - (i) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Nicholas Mather  
Director

Brisbane  
Date: 13 March 2015

For personal use only

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Navaho Gold Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Navaho Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of 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's end or from time to time during the half-year.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Navaho Gold 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.

For personal use only





### 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 Navaho Gold 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 Navaho Gold 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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon a number of matters including the continued financial support of its trade creditors which have agreed to deferred payment terms, continued financial support of its major shareholder (DGR Global Ltd), future successful raising of necessary funding, the successful exploration and subsequent exploitation of the consolidated entity's tenements and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that 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

T J Kendall

Director

Brisbane, 13 March 2015

For personal use only