

APPENDIX 4D

Half-year Report for the period ending 31 December 2013

1. Name of entity

OZ BREWING LIMITED

ABN	Reporting Period	Previous Corresponding Period
24 118 159 881	Half year ended 31 December 2013	Half year ended 31 December 2012

2. Results for Announcement to the Market

Financial Results	31 December 2013		
Revenues from ordinary activities (<i>item 2.1</i>)	-	-	to -
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down	42.1 %	to (445,059)
Net (loss) for the period attributable to members (<i>item 2.3</i>)	Down	42.1 %	to (445,059)
Final and interim dividends (<i>item 2.4</i>)	It is not proposed that either a final or interim dividend be paid .		
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A		
Brief explanation of any of the figures reported above (<i>item 2.6</i>):	The loss for the period is mainly attributable to due diligence expensed in relation to the Gabon Potash opportunity. Refer attached Interim Financial Report for additional details.		

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	0.09 cents	0.28 cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	N/A
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
-----------------------------------------------------------------	--------------------------------------------

6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item6</i>)	There is no dividend reinvestment program in operation for Oz Brewing Limited
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (*item 9*)

Basis for Qualified Conclusion:

A limitation in scope of our work exists for the reason described below:

Trade and other receivables

As disclosed in Note 4 to the financial statements, the Company has included in trade and other receivables an amount of \$400,000 (the 'Asset'), relating to an initial payment made for an acquisition under a Heads of Agreement that is under litigation.

As set out in Note 4, the recoverability of the Asset is dependent on successful outcome of the litigation matter. Australia Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement requires an entity to measure financial assets at their fair value after initial recognition. We have been unable to obtain sufficient appropriate audit evidence to support the director's assessment of the recoverable amount of the Asset and its classification as a current asset. Accordingly, we have been unable to determine whether the recoverable amount of the asset is equal to its fair value, or when it will be paid. In the event that the carrying value of the Asset exceeds its fair value, it would be necessary for the carrying value of the Asset to be written down to its recoverable amount.

Qualified Conclusion

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

- a giving a true and fair view of the Company's financial position as at 31 December 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.

Material uncertainty regarding continuation as a going concern

Without further qualification to the conclusion expressed above, we draw attention to Note 1 in the half year financial report which indicates the Company incurred a net loss of \$445,059 during the half year ended 31 December 2013 and had operating cash outflows of \$190,784. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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Oz Brewing Limited
ABN 24 118 159 881

Interim Financial Statements
for the Half-Year Ended 31 December 2013

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DIRECTORS' REPORT

The Directors present their half-year report on Oz Brewing Limited ("Company") for the half year ended 31 December 2013.

Directors

The names and details of the Directors of Oz Brewing Limited during the whole of the half-year, unless stated, and up to the date of this report are as follows.

David Wheeler	Non -Executive Chairman
Joe Graziano	Non-Executive Director
Michal Safrata	Non-Executive Director

Company Secretary

Nicki Farley

Principal Activities

The principal activities of the Company are the brewing, distribution, marketing and sales of beer in Western Australia.

Review of Operations

During 2012, the Company entered into a Head of Agreement ("HOA") with Volcan Australia Corporation Pty Ltd (VOL) to acquire 2 wholly owned subsidiaries which had a 100% interest in certain bauxite exploration licenses in New South Wales for which an initial payment of \$400,000 was made to VOL. Subsequently, the Company announced that the resource transaction was not proceeding and legal action against VOL under the HOA has since commenced. The litigation matter is still currently being pursued by the Company's lawyers.

The Company continues to explore investment opportunities both within the hospitality and beverage industry and outside these industries.

In April 2013, the Company entered into a Head of Agreement ("HOA") to acquire Monomotapa Gold Limited ("MGL"), a Territory of the British Virgin Islands unlisted company, and its 82% interest in Engrais Gabon, holder of the Gabon Potash Assets. The Gabon Potash Assets consist of granted concessions and applications covering a total of 5,011km² which are located over the Aptian salt basin along the west coast of Central Africa.

The Company is currently completing the final stages of its legal due diligence. Once finalised and the Company satisfied, the formal acquisition agreements will be executed. The acquisition of MGL is subject to shareholder and regulatory approvals, final documentation being executed and a minimum of \$2 million being raised pursuant to a prospectus in accordance with the requirements of Chapters 1 & 2 of the ASX Listing Rules. Settlement of the acquisition will require the Company to re-comply with Chapters 1 & 2 of the ASX Listing Rules, which cannot occur until the Company has received shareholder approval.

The net loss after income tax for the half-year was \$445,059 (December 2012: \$313,191).

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 5.

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

DATED at Perth this 28th day of February 2014



Joe Graziano
Director

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Level 1
10 Kings Park Road
West Perth WA 6005

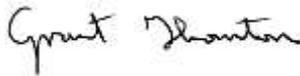
Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To The Directors of Oz Brewing Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Oz Brewing Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 28 February 2014

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OZ BREWING LIMITED
ABN 24 118 159 881

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	31 December 2013 \$	31 December 2012 \$
Other income		1,577	13,236
Directors' and company secretarial fees		(80,000)	(84,725)
Accounting and audit fees		(29,622)	(34,047)
Consultant fees		(99,900)	(91,397)
Administration expenses		(85,747)	(91,258)
Share of loss from equity accounted joint ventures		-	(25,000)
Due diligence expense	2	(151,367)	-
Loss from continuing operations before income tax		(445,059)	(313,191)
Income tax expense		-	-
Loss from continuing operations		(445,059)	(313,191)
Loss for the period		(445,059)	(313,191)
Basic loss per share (cents)	3	(0.11)	(0.08)
Diluted loss per share (cents)	3	(0.11)	(0.08)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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OZ BREWING LIMITED
ABN 24 118 159 881

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31 December 2013 \$	30 June 2013 \$
Current assets			
Cash and cash equivalents		52,536	243,320
Trade and other receivables	4	456,893	462,530
Other assets		-	7,990
Total current assets		509,429	713,840
Non-current assets			
Other assets	2	-	151,367
Total non-current assets		-	151,367
Total assets		509,429	865,207
Current liabilities			
Trade and other payables	5	144,627	55,346
Total current liabilities		144,627	55,346
Total liabilities		144,627	55,346
Net assets		364,802	809,861
Equity			
Issued capital	6	6,007,768	6,007,768
Equity compensation reserve	7	130,762	130,762
Accumulated Losses		(5,773,728)	(5,328,669)
Total equity		364,802	809,861

The above statement of financial position should be read in conjunction with the accompanying notes

OZ BREWING LIMITED
ABN 24 118 159 881

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Share Capital \$	Equity Compensation Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2012		6,007,768	130,762	(4,664,007)	1,474,523
Loss for the year	8	-	-	(313,191)	(313,191)
Sub-total		-	-	(313,191)	(313,191)
Dividends paid or provided for		-	-	-	-
Balance at 31 December 2012		6,007,768	130,762	(4,977,198)	1,161,332
Balance at 1 July 2013		6,007,768	130,762	(5,328,669)	809,861
Loss for the year	8	-	-	(445,059)	(445,059)
Sub-total		-	-	-	-
Dividends paid or provided for		-	-	-	-
Balance at 31 December 2013		6,007,768	130,762	(5,773,728)	364,802

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Payments to suppliers and employees	(192,109)	(295,422)
Interest received	1,577	13,236
Interest paid	(252)	(343)
Net cash (used in) operating activities	(190,784)	(282,529)
Cash flows from investing activities		
Refund / (payment) for joint venture contributions	-	75,000
Net cash provided by investing activities	-	75,000
Cash flows from financing activities		
Proceeds from issue of share	-	-
Payments for share issue costs	-	-
Net cash provided by financing activities	-	-
Net (decrease) in cash and cash equivalents held	(190,784)	(207,529)
Cash and cash equivalents at beginning of the period	243,320	875,352
Cash and cash equivalents at end of the period	52,536	667,823

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1 Basis of Preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 that has been prepared in accordance with Australian Accounting standards including AASB 134: Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue by the directors on 28 February 2014.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Oz Brewing Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the following new or revised accounting standards:

Adoption of new and revised accounting standards

In the half-year ended 31 December 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2013.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

AASB 10 Consolidated Financial Statements (effective from 1 July 2013) - AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7. The adoption of AASB 10 had no effect on the financial position or performance of the Company.

AASB 11 Joint Arrangements (effective 1 July 2013) - AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Nonmonetary Contributions by Venturers. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128. The adoption of AASB 11 had no effect on the financial position or performance of the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1 Basis of Preparation (continued)

AASB 12 Disclosure of Interests in Other Entities (effective 1 July 2013) - AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced regarding the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The adoption of AASB 12 had no material impact on the financial statements of the Company.

AASB 13 Fair Value Measurement (effective 1 July 2013) -AASB 13 consolidates fair value measurement guidance from across various Australian Accounting Standards into a single standard. AASB 13 does not change when fair value can or should be used. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

For the purpose of preparing this half-year financial report, the half-year has been treated as a discrete reporting period.

The directors are of the opinion that the basis upon which this interim financial report is presented is appropriate in the circumstances.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts are presented in Australian dollars which is the Company's functional and presentation currency, unless otherwise noted.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Company incurred an operating loss of \$445,059 for the period ended 31 December 2013 (31 December 2012: \$313,191) and a net cash outflow from operating activities amounting to \$190,784 (31 December 2012: \$282,529).

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional funds. The Directors believe that their plans moving forward and the Company's external financial support received from its major creditor will allow the Company to raise additional funds.

The directors of the Company are confident that the entity will be able to continue its operations as a going concern, however, the above conditions indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

2 Gabon deposit

During the prior year, \$151,367 was paid as an advance for technical and legal due diligence in relation to the Gabon Potash opportunity. As at 31 December 2013, the full amount was expensed on the due diligence.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

3 Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations.

(a) Earnings used in calculating earnings per share

For basic and diluted loss per share:

	31 December 2013 \$	31 December 2012 \$
Net loss for the period	(445,059)	(313,191)
Total	(445,059)	(313,191)

(a) Weighted average number of shares

For basic and diluted loss per share:

	31 December 2013 No.	31 December 2012 No.
Weighted average number of ordinary shares	413,830,742	413,830,742
Effect of dilution of share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	413,830,742	413,830,742

At 31 December 2013 the Company has the following options on issue;

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
11,000,000 (unlisted)	\$0.01	31 December 2014

These options are not considered to be dilutive as the conversion of the options to ordinary shares will result in a decrease in the net loss position.

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

4 Trade and Other Receivables

	31 December 2013 \$	30 June 2013 \$
GST Input Tax Credits	29,029	54,926
Prepayments	27,864	7,604
Other receivable ⁽ⁱ⁾	400,000	400,000
	<u>456,893</u>	<u>462,530</u>

⁽ⁱ⁾ The amount relates to an initial payment made for an acquisition under a Heads of Agreement that is under litigation. Refer to Note 11 for more information on the matter.

5 Trade and Other Payables

	31 December 2013 \$	30 June 2013 \$
Trade payables	113,112	34,519
Other payables	31,515	20,827
	<u>144,627</u>	<u>55,346</u>

6 Issued Capital

Share capital	31 December 2013 \$	30 June 2013 \$
Fully paid ordinary shares	6,007,768	6,007,768
Total	<u>6,007,768</u>	<u>6,007,768</u>

Share movements during the period;

	No.	\$
At the beginning of the period 1 July 2013	413,830,742	6,007,768
Shares issued during the period	-	-
Total as at 31 December 2013	<u>413,830,742</u>	<u>6,007,768</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

7 Equity Compensation Reserve

	31 December 2013 \$	30 June 2013 \$
Equity compensation reserve	130,762	130,762
Total	130,762	130,762

Movements in the equity compensation reserve during the period;

At the beginning of the period 1 July 2013	130,762
Movement during the period	-
Total as at 31 December 2013	130,762

All options on issue at the date of this report are vested and able to be exercised.

8 Accumulated Losses

	31 December 2013 \$	30 June 2013 \$
Accumulated losses	(5,773,728)	(5,328,669)
Total	(5,773,728)	(5,328,669)

Movement in accumulated losses during the period;

At the beginning of the period	(5,328,669)	(4,664,007)
Net loss during the period	(445,059)	(664,662)
Balance at the end of the period	(5,773,728)	(5,328,669)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

9 Related Party Transactions

Key management personnel

Mr David Wheeler is currently a director and shareholder of Pathways Capital Pty Ltd, to which Oz Brewing Limited paid director's fees.

Mr Michal Safrata is currently a director and shareholder of Pulpart Pty Ltd, to which Oz Brewing Limited paid director's fees.

Mr Graziano was previously a principal of Crowe Horwath Perth and is currently a shareholder of WHK Ltd a listed entity which owns Crowe Horwath Perth, to which Oz Brewing Limited paid director's fees.

Directors fees paid during the period	31 December 2013 \$	31 December 2012 \$
Pathways Capital Pty Ltd	20,000	20,000
Crowe Horwath Perth	18,000	18,000
Pulpart Pty Ltd	18,000	18,000
Total	56,000	56,000

Taxation services paid during the period	31 December 2013 \$	31 December 2012 \$
Crowe Horwath Perth	1,450	5,514
Total	1,450	5,514

Travel expenses paid during the period	31 December 2013 \$	31 December 2012 \$
Pathways Capital Pty Ltd	3,178	187
David Wheeler	1,557	-
Total	4,735	-

Movement in shares

There has been no movement during the reporting period in the number of ordinary shares of Oz Brewing Limited held, directly, indirectly or beneficially, by each key management personnel, including their related parties. Shares held as at 31 December 2013 are as follows:

	Held at 1 July 2013	Shares acquired	Held at 31 December 2013
Directors			
Mr David Wheeler	2,500,000	-	2,500,000
Mr Joe Graziano	1,714,286	-	1,714,286
Mr Michal Safrata	1,444,334	-	1,444,334

Other transactions with related parties

There are no other related party transactions during the period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

10 Dividends

No dividends were paid or proposed during either reporting period.

The Company has no franking credits available as at 31 December 2013 or 31 December 2012.

11 Contingencies

(i) Contingent liabilities

Litigation:

On 31 January 2012, the Company entered into a Heads of Agreement with Volcan Australia Corporation Pty Ltd (VOL) to acquire 2 wholly owned subsidiaries which had a 100% interest in certain bauxite exploration licenses in New South Wales for which an initial payment of \$400,000 was made to VOL.

On 10 April 2012, the Company issued VOL with a Notice of Termination of the Heads of Agreement and has commenced legal action and is making a claim against VOL under the Heads of Agreement.

The Company has recognised the initial acquisition payment as a receivable amount of \$400,000 which is considered recoverable by the Directors, a contingent liability may arise if the Company's claim against VOL is unsuccessful and a counter claim made by VOL is successful. The litigation matter is still currently being pursued by the Company's lawyers and recent direction hearings have been adjourned with a commercial settlement currently being negotiated by the parties.

As at 31 December 2013, this matter is still ongoing.

(ii) Contingent assets

There were no material contingent assets as at the reporting dates.

12 Significant changes

During the reporting period there were no other significant changes to the Company's affairs.

13 Subsequent events

There have been no subsequent events following 31st December 2013.

14 Segment note

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary statements forming this financial report.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying interim financial statements and notes are in accordance with the Corporations Act 2001, including:
 - a complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the Company; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Joe Graziano
Director

Dated: 28th February 2014

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Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Oz Brewing Limited

We have reviewed the accompanying half-year financial report of Oz Brewing Limited ("Company"), which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Oz Brewing Limited 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 controls 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 the 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 Oz Brewing Limited financial position as at 31 December 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 Oz Brewing Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Conclusion

A limitation in scope of our work exists for the reasons described below.

Trade and other receivables

As disclosed in Note 4 to the financial statements, the Company has included in trade and other receivables an amount of \$400,000 (the 'Asset'), relating to an initial payment made for an acquisition under a Heads of Agreement that is under litigation.

As set out in Note 4, the recoverability of the Asset is dependent on successful outcome of the litigation matter. Australia Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement requires an entity to measure financial assets at their fair value after initial recognition. We have been unable to obtain sufficient appropriate audit evidence to support the director's assessment of the recoverable amount of the Asset and its classification as a current asset. Accordingly, we have been unable to determine whether the recoverable amount of the asset is equal to its fair value, or when it will be paid. In the event that the carrying value of the Asset exceeds its fair value, it would be necessary for the carrying value of the Asset to be written down to its recoverable amount.

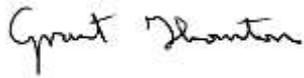
Qualified Conclusion

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

- a giving a true and fair view of the Company's financial position as at 31 December 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.

Material uncertainty regarding continuation as a going concern

Without further qualification to the conclusion expressed above, we draw attention to Note 1 in the half year financial report which indicates the Company incurred a net loss of \$445,059 during the half year ended 31 December 2013 and had operating cash outflows of \$190,784. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 28 February 2014

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