



Ishine International Resources Limited

ABN 64 139 522 553

**Interim Financial Report
For the Half-Year ended
30 June 2014**



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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcements made by Ishine International Resources Limited ("The Company") during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



DIRECTORS' REPORT

Your directors present their report on the Company for the half-year ended 30 June 2014.

DIRECTORS

The following persons were directors of Ishine International Resources Limited during the whole of the half-year and up to the date of this report:

Mr Yunde Li	Executive Chairman
Mr Naiming (James) Li	Non-Executive Director
Mr Mark Muzzin	Non-Executive Director

EXECUTIVES

Mr Chuanshui Yin	Chief Executive Officer
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No directors of Ishine International Resources Limited have resigned during the half-year.

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company during the period was mineral resources exploration.



REVIEW OF OPERATIONS

Exploration

Mt Watson Assay Results

During the half year, Ishine International Resources Ltd (Ishine) has received recent assay results from diamond drilling conducted at the Mount Watson Copper Project (the Project) during late 2013 and early 2014.

The Project is a joint venture between Ishine (70%) and Kabiri Resources Pty Ltd (30%).

The Project is situated approximately 120 km north of Mt Isa in north-west Queensland and comprises two tenements (EPM15933 and EPM15986) covering an area of 103.6 km². The tenements surround the Mt Watson copper mine (not on the Ishine tenements) which produced 8.08 Mt at an average grade of 0.9% Cu.

Seven diamond drillholes (totalling 921.80 m) were drilled on tenement EPM15986 on previously identified versatile time domain electromagnetic survey (VTEM) anomalies 5 km to the south-west and along strike of the Mt Watson copper mine. Table 1 lists the drillhole coordinates and drilling orientation. Figure 1 shows the drillhole locations.

Table 1 Drillhole Collars

Drillhole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)
ZK7-3	7811578	379740	283	100.10	120	60
ZK7-4	7811578	379742	283	121.35	300	60
ZK32-1	7810286	377326	242	140.60	245	60
K32-2	7810305	377364	243	189.30	245	60
K35-1	7810725	377103	238	81.05	260	60
ZK31-1	7810092	377400	243	118.30	245	60
ZK31-2	7810136	377473	244	171.1	245	60

The target anomalies exist in a large fold structure believed to be favourable for hosting mineralisation analogous to that found and mined nearby at Mt Watson.

Intervals of mineralisation and other intervals of interest were selectively sampled at one metre intervals from the diamond core. 346 diamond core samples were submitted to Bureau Veritas Amdel for preparation (Mt Isa, Queensland) and analysis (Cardiff, Newcastle, New South Wales). Each sample was dried, crushed and split to approximately 200 grams then pulverised in an LM5 ring mill to 85% passing 75 microns. Each sample was assayed for copper, lead and zinc using induced coupled plasma optical emission spectrometry (ICP-OES).

A number of zones of low order anomalous copper (Cu) with grades up to 5,950 ppm Cu were intersected. All results above 1,000 ppm Cu are reported in Table 2.

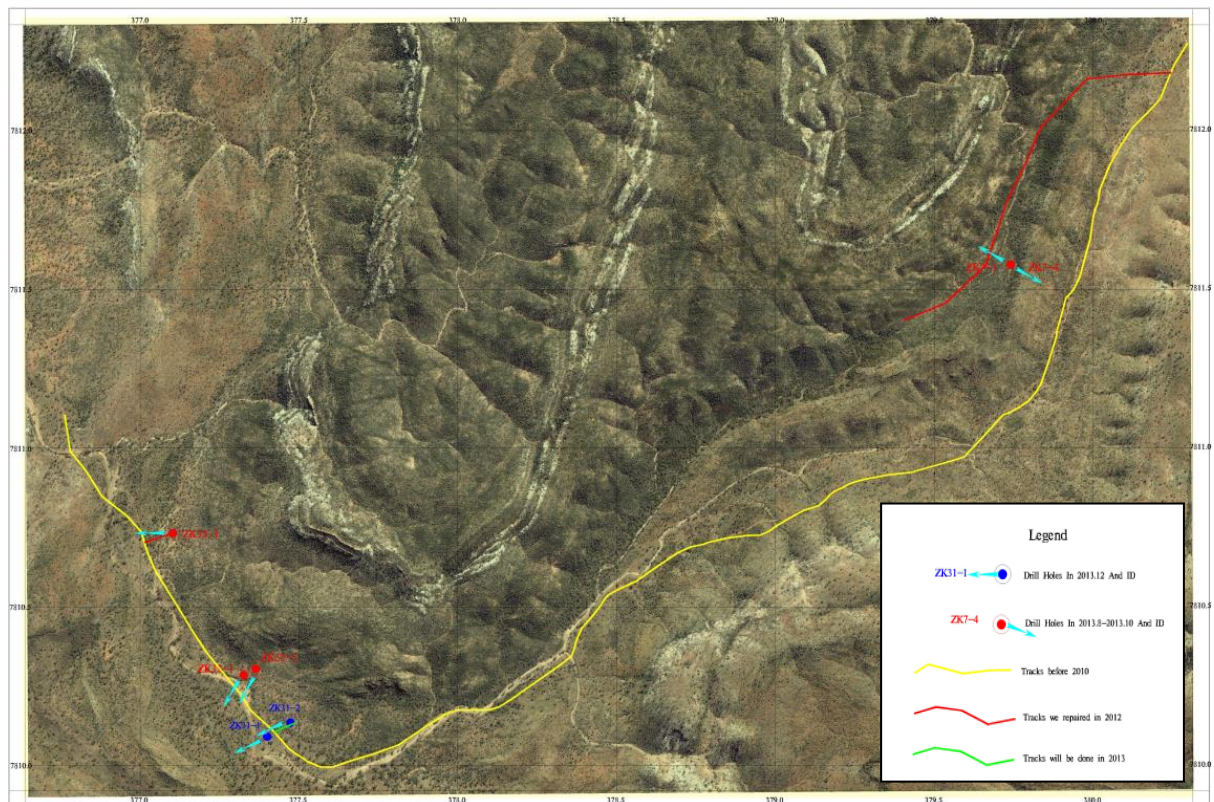


Table 2 Anomalous Copper Assays

Drillhole	Depth From (m) ¹	Depth To (m) ¹	Cu (ppm)	Pb (ppm)	Zn (ppm)
ZK32-1	21	22	1,350	7	18
	22	23	1,350	6	14
	23	24	1,050	21	27
	26	27	1,700	20	48
	27	28	3,850	23	43
	28	29	1,700	22	39
	29	30	2,550	23	31
	30	31	1,950	23	31
	31	32	2,100	19	39
	32	33	4,400	28	37
	33	34	1,900	17	36
	36	37	4,500	22	42
	37	38	4,050	12	39
	38	39	2,600	14	50
	41	42	2,350	18	22
	42	43	1,400	14	24
	46	47	3,050	165	130
	47	48	2,050	25	27
	48	49	1,450	82	56
	52	53	1,250	16	17
ZK32-2	25	26	4,600	30	1
ZK35-1	1	2	1,900	10	28
	2	3	1,250	5	22
	3	4	5,950	115	96
	7	8	1,000	15	17

¹ Intersections are downhole measurements

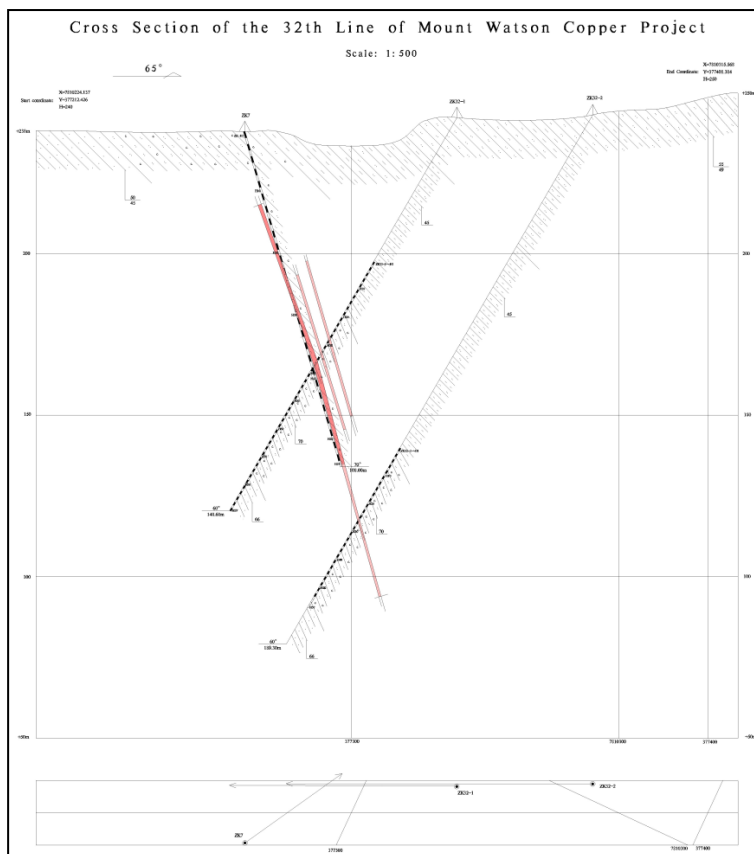
Figure 1 Location of 2013 Drilling



Scale 1:5000



Figure 2 Cross Section



Ishine is assessing the results from the drilling programme to determine a further exploration programme for the Mt Watson Project.

Drilling programs has been conducted at Halls Creek project (tenement E80/4450) and Narembeen Project (tenement E70/3880) with our joint venture partners.

JORC Code Compliance Statement

The information in this announcement relating to exploration results was compiled by Mr Dean Carville who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Carville is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting

of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Carville consents to the inclusion of this information in the form and context in which it appears.

(Refer to ASX announcement dated 21 March 2014 for full details of the drilling result)

Narembeen assay result

The Narembeen Project (the Project) is located at Narembeen in east WA. The exploration tenement, E70/3880, covers an area of 224km².

One diamond hole was drilled (totalling 200m) on E70/3880 on a previously identified versatile time domain electromagnetic survey (VTEM) anomalies identified in the south of the tenement.

Table 3 lists the drill hole coordinate and drilling orientation. Figure 3 shows the drill hole location. No previous exploration drilling has occurred on this tenement.

Table 3 Drillhole Collars

Drillhole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)
ZK1	6,438,999	631,706	220	200	284	75



Table 4 Anomalous Gold Assays

Drillhole	Depth From (m) ¹	Depth To (m) ¹	Intercept (m) ¹	Au (ppm)
ZK1	124.2	125.2	1.00	-
	125.2	126.2	1.00	0.11
	126.2	127.2	1.00	-
	127.2	128.2	1.00	-
	128.2	129.2	1.00	0.11
	129.2	130.2	1.00	-
	130.2	131.2	1.00	-
	131.2	132.2	1.00	-
	132.2	133.2	1.00	0.14
	133.2	134.2	1.00	-
	134.2	135.2	1.00	0.11
	135.2	136.2	1.00	-
	136.2	137.2	1.00	0.17
	137.2	138.2	1.00	0.12
	138.2	139.2	1.00	-
	139.2	140.2	1.00	-
	140.2	141.2	1.00	-
	141.2	142.2	1.00	-
	142.2	143.2	1.00	-
	143.2	144.2	1.00	-
	144.2	145.2	1.00	-
	145.2	146.2	1.00	-
	146.2	147.2	1.00	-
	147.2	148.2	1.00	-

¹ Intersections are downhole measurements

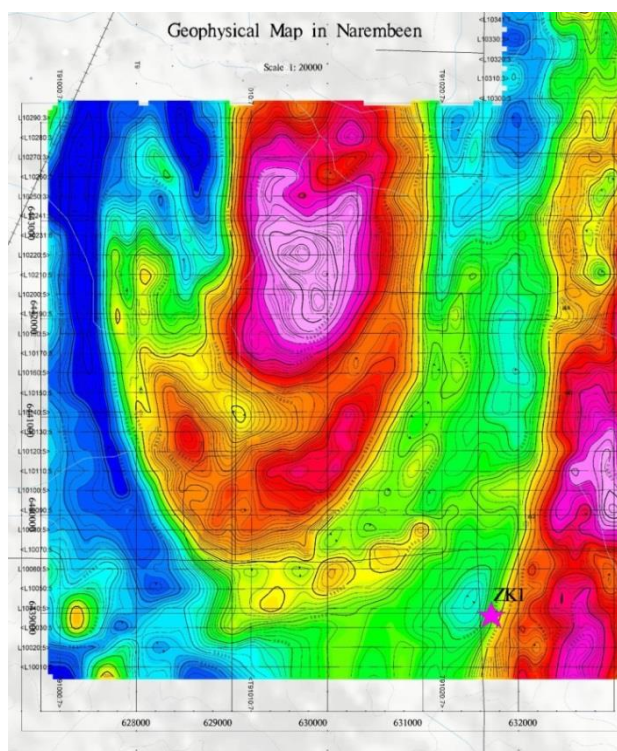
The project area is located in the Western Gneiss Terrane of the southwest Yilgarn Province. The tenement is situated within the Lake Grace Terrane.

Granite and felsic to mafic granulites and gneisses occur in scattered outcrops and sub crops throughout the farming paddocks.

Intervals of mineralisation and other intervals of interest were selectively sampled at one metre intervals from the diamond core. 24 half-core diamond samples were submitted to Quantum Analytical Service (Perth, WA) for sample preparation (drying, crushing, splitting and pulverizing) and analysis. The subsample was pulverized in a LM5 ring mill to 85% passing 75 microns. Each sample was assayed for gold using ICP-MS.

No significant mineralisation has been found.

A number of zones of low order anomalous gold (Au) with grades up to 0.17 g/t Au were intersected. All results are reported in Table 4.



Scale 1:5000

Figure 3 Location of 2014 Drilling at Narembeen

Ishine is assessing the results of the drilling programme and a plan for further exploration is still to be determined.

JORC Code Compliance Statement

The information in this announcement relating to exploration results was compiled by Mr Dean Carville who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Carville is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Carville consents to the inclusion of this information in the form and context in which it appears.



Halls Creek Project (E80/4450) Drilling Program

During the quarter, Ishine has also conducted and completed a ten diamond hole drill program. Over 1300 metres were drilled in our Halls Creek project. The drilling on E80/4450 has completed late in the quarter.

The core samples have been sent to a laboratory in Perth for analysis.

Figure 4 Drilling site in Halls Creek project





Figure 5 Drilling at the Halls Creek project

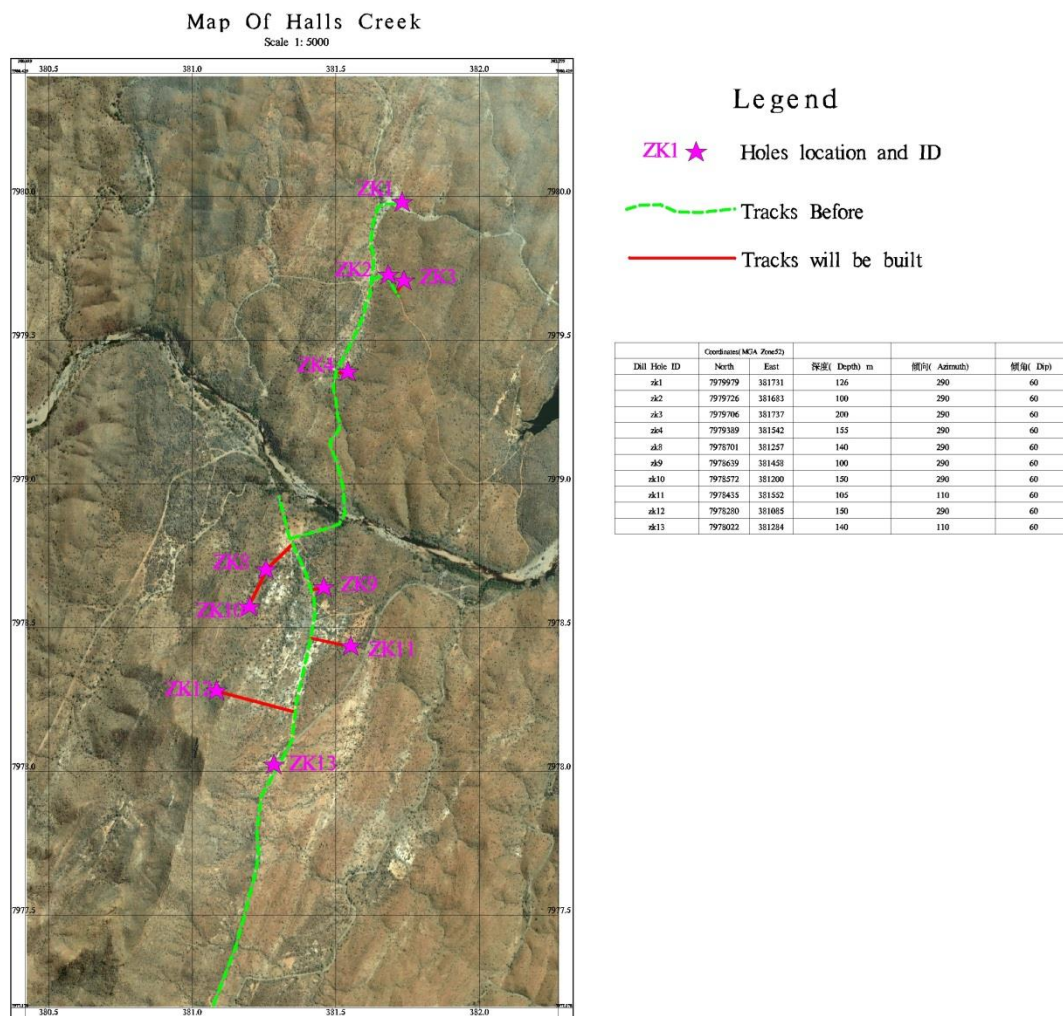


Table 5 Halls creek drilling details

Dill Hole ID	Coordinates(MGA Zone52)				
	Northing (m)	Easting (m)	Depth (m)	Azimuth (°)	Dip (°)
zk1	7979979	381731	126	290	60
zk2	7979726	381683	100	290	60
zk3	7979706	381737	200	290	60
zk4	7979389	381542	155	290	60
zk8	7978701	381257	140	290	60
zk9	7978639	381458	100	290	60
zk10	7978572	381200	150	290	60
zk11	7978435	381552	105	110	60
zk12	7978280	381085	150	290	60
zk13	7978022	381284	140	110	60



Figure 4 Drill hole location map for Halls Creek E80/4450



(Refer to ASX announcement dated 31 July 2014 for full details of the drilling result)

Withdrawal from Boomara Project

The Company has withdrawn from the Boomara project Joint Venture with Kabiri Resources Limited ("Kabiri").

The Boomara Project with a single tenement EPM15723 is situated approximately 100km north of Cloncurry in northwest Queensland. The tenement covers an area of 119.8 km² and extends for nearly 30km in a NNE direction striking along the Melinda Downs Fault. In 2009, Ishine signed a farm-in Heads of Agreement with Kabiri Resources Pty Ltd to earn a 49% and 70% undivided interest from the Project.

In April 2011, Ishine announced that the Company had earned 49% undivided interest in the Boomara Project. Following further review by management, Ishine decided not to pursue any further interest in the Boomara Project and withdrew from the Boomara Project Joint Venture with Kabiri effective immediately. With the withdrawal, Ishine will relinquish all the interest and the liabilities in the project.



Tenement Information

State	Licence Number	Ownership	Locality
WA	E 80/4478	100% Ishine	HALLS CREEK
	E 70/3880	100% Ishine	NAREMBEEN SHIRE
	E 80/4450	100% Ishine	HALLS CREEK
	E 80/4448	100% Ishine	HALLS CREEK SHIRE
	E 77/1786	100% Ishine	MERREDIN, NAREMBEEN AND YILGARN
	E 37/1073	100% Ishine	LAVERTON
	E 39/1582	100% Ishine	LAVERTON
	E 37/1074	100% Ishine	LAVERTON
SA	E80/4619	100% Ishine	MOOLA BULLA, KIMBERLEY
	EL4830	100% Ishine	MULGA WELLS, SA
	EL4831	100% Ishine	MULGARIA, NORTH OF OLYMPIC DAM
	EL4833	100% Ishine	WILLOURAN RANGES, SA
QLD	EPM15933	70% Ishine	MT WATSON
	EPM15986	70% Ishine	MT WATSON
SUMMARY	14		WA and SA



RESULTS OF OPERATIONS

The Company made a loss from continuing operations after income tax of \$255,513 for the half-year ended 30 June 2014 (31 December 2013: loss of \$480,732).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

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



Mr Yunde Li
Chairman
Perth, Western Australia
28 August 2014



Auditor's Independence Declaration

As lead auditor for the review of Ishine International Resources Limited for the half-year ended 30 June 2014, 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.

A handwritten signature in blue ink, appearing to read 'B. Gargett', written over a light blue horizontal line.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
28 August 2014



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2014

		Company	
		6 months ended 30 June 2014	6 months ended 31 December 2013
	Notes	\$	\$
Revenue	3	462,224	62,556
Depreciation expense		(12,290)	(38,475)
Tenement and exploration expenses		(388,766)	(21,416)
Accounting and audit fees		(29,168)	(53,245)
Occupancy expenses		(68,855)	(60,182)
Administrative expenses		(26,467)	(44,692)
Employee benefit expenses		(181,001)	(289,229)
Other expenses		(11,190)	(36,049)
LOSS BEFORE INCOME TAX		(255,513)	(480,732)
Income tax expense		-	-
LOSS FOR THE PERIOD		(255,513)	(480,732)
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF ISHINE INTERNATIONAL RESOURCES LIMITED		(255,513)	(480,732)
OTHER COMPREHENSIVE INCOME NET OF TAX			
Items that may be reclassified to profit or loss			
Changes in fair value of available for sale financial assets		-	91,300
Other Comprehensive income for the period		-	91,300
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(255,513)	(389,432)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF ISHINE INTERNATIONAL RESOURCES LIMITED		(255,513)	(389,432)
Basic and diluted loss per share (cents per share)		(0.28)	(0.53)

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



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

		Company	
		30 June	31 December
		2014	2013
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		377,732	535,653
Trade and other receivables		228,832	163,755
TOTAL CURRENT ASSETS		606,564	699,408
NON-CURRENT ASSETS			
Other financial assets	4	265,600	265,600
Property, plant and equipment		22,120	34,411
Deferred exploration and evaluation expenditure		613,053	613,053
TOTAL NON-CURRENT ASSETS		900,773	913,064
TOTAL ASSETS		1,507,337	1,612,472
CURRENT LIABILITIES			
Trade and other payables		145,510	59,589
Unearned Revenue		36,957	-
TOTAL CURRENT LIABILITIES		182,467	59,589
TOTAL LIABILITIES		182,467	59,589
NET ASSETS		1,324,870	1,552,883
EQUITY			
Contributed equity		7,621,235	7,621,235
Reserves	6	1,084,849	1,057,349
Accumulated losses		(7,381,214)	(7,125,701)
TOTAL EQUITY		1,324,870	1,552,883

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



STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Investment Revaluation Reserve \$	Total \$
Balance as at 1 January 2014	7,621,235	(7,125,701)	1,040,749	16,600	1,552,883
Loss for the half-year	-	(255,513)	-	-	(255,513)
Total comprehensive loss for the half-year	-	(255,513)	-	-	(255,513)
Transactions with owners in their capacity as owners					
Share based payments	-	-	27,500	-	27,500
Balance as at 30 June 2014	7,621,235	(7,381,214)	1,068,249	16,600	1,324,870

**SIX MONTHS PERIOD
ENDED
31 DECEMBER 2013**

	Contributed Equity \$	Accumulated Losses \$	Share Based Payments Reserve \$	Investment Revaluation Reserve \$	Total \$
Balance as at 1 July 2013	7,621,235	(6,644,969)	980,249	(74,700)	1,881,815
Loss for the half-year	-	(480,732)	-	-	(480,732)
Changes in fair value of available for sale financial assets	-	-	-	91,300	91,300
Total comprehensive income/(loss) for the half- year	-	(480,732)	-	91,300	(389,432)
Transactions with owners in their capacity as owners					
Share based payments	-	-	60,500	-	60,500
Balance as at 31 December 2013	7,621,235	(7,125,701)	1,040,749	16,600	1,552,883

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 30 JUNE 2014

	Notes	Company	
		6 months ended 30 June 2014 \$	6 months ended 31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from JV Partners (incl.GST)		505,075	57,048
Payments to suppliers and employees (incl.GST)		(260,324)	(434,180)
Interest received		1,632	1,886
Payments for exploration activities (incl.GST)		(404,304)	(75,425)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(157,921)	(450,671)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares and options		-	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(157,921)	(450,671)
Cash and cash equivalents at the beginning of the half-year		535,653	986,324
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		377,732	535,653

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



NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

The interim financial report of Ishine International Resources Limited ("the Company") for the half-year reporting period ended 30 June 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company advised ASIC in 4 December 2013 that it has changed its financial year end date from 30 June to 31 December. The change of the year end allows the Company to align its financial year end date with that of its major shareholder China Zhongsheng Resources Holdings Limited. The comparative for this half-year reporting period is 31 December 2013 and the six months then ended.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the period ended 31 December 2013 and any public announcements made by Ishine International Resources 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, unless otherwise noted below:

(a) Going Concern

For the half-year ended 30 June 2014, the Company incurred a comprehensive loss after tax of \$255,513 (6 months ended 31 December 2013: \$480,732 loss) and had net cash outflows from operating activities of \$157,921 (6 months ended 31 December 2013: \$450,671). The Company has forecast that it may require additional funding to meet its future obligations. China Zhongsheng Resources Holdings Limited, the major shareholder of the Company, has undertaken to provide sufficient financial assistance to the Company as and when it is needed, through a Letter of Financial Support, to enable the Company to continue its operations and fulfil all of its financial obligations now and in the future. The undertaking is provided for a minimum period of twelve months from the date of approval of these financial statements. These financial statements have therefore been prepared on a going concern basis.

(b) Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Company's only financial instrument recognised at fair value is the available-for-sale financial asset being an investment in the ordinary shares of a listed company. This is deemed to be a level 1 financial instrument on the basis that quoted prices used in determining fair value were based on



observable market data. Further information relating to the available-for-sale financial asset is set out in note 4.

The Company also has a number of financial instruments which are not measured at fair value in the balance sheet. The fair values of these instruments are not materially different to their carrying amounts, since the trade and other receivable/payable are short-term in nature.

(c) Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. The Company is still considering the impact of the new standard.

Annual improvements project – 2010-2012 and 2011-2013 cycles (effective 1 July 2014)

In December 2013, the IASB approved a number of amendments to International Financial Reporting Standards as a result of the annual improvements project. The Company does not expect that any adjustments will be necessary as the result of applying the revised rules.

Standards issued by the AASB that are not yet available for early adoption

Accounting for acquisitions of interests in joint operations

The amendment to AASB 11 clarifies the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business (Effective date: 1 January 2016).

The AASB has made limited scope amendments to AASB 11 to explicitly address the accounting for the acquisition of an interest in a joint operation.

The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business in AASB 3.

This includes:

- measuring identifiable assets and liabilities at fair value
- expensing acquisition-related costs
- recognising deferred tax
- recognising the residual as goodwill, and testing this for impairment annually.

Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

The amendments apply to the acquisition of an initial interest and additional interests in a joint operation whose activities constitute a business. The requirements also apply when a joint operation is formed and an existing business is contributed.

The Company will have to apply the amendments prospectively for annual reporting periods commencing on or after 1 January 2016.

Revenue from contracts with customers. The IASB has issued a new standard for the recognition of revenue IFRS15. When implemented here IFRS15's AASB equivalent AASB15 will replace AASB118 which covers contracts for goods and services and AASB111 which covers construction



contracts. The AASB currently expects to release its Australian equivalent AASB 15 before 30 September 2014 (Effective date: 1 January 2017).

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

- These accounting changes may have flow on effects on the Company's business practices in regards to systems, processes, controls, contracts, and investor communications.
- The Company will have a choice of full retrospective application, or prospective application with additional disclosures.

The potential effect of the new standard on the Company's financial statements has not yet been determined.

(d) Accounting policy segment information

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the CEO and the Board of directors.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the services
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

2. SEGMENT INFORMATION

The Company operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the directors for assessing performance and determining the allocation of resources within the Company.

All of the Company's mineral exploration activity is based in Australia.



3. REVENUE AND OTHER INCOME

	6 months ended 30 June 2014 \$	6 months ended 31 December 2013 \$
<i>Revenue</i>		
Interest Income	3,064	5,508
Revenue from Joint Venture Partners (i)	459,160	57,048
	<u>462,224</u>	<u>62,556</u>

(i) The revenue relates to investments from joint venture partners to reimburse Ishine for expenditures spent on the tenement from current periods plus a margin.

4. OTHER FINANCIAL ASSETS

Available for sale financial asset carried at fair value

Listed securities – Shares

Opening balance	265,600	174,300
AFS fair value movement	-	91,300
Closing Balance	<u>265,600</u>	<u>265,600</u>

5. COMMITMENTS AND CONTINGENCIES

There were no new capital commitments other than those that existed as at 31 December 2013 that the Company has entered into during the period under review.

There are no contingency liabilities as at 30 June 2014.

6. RESERVES

(a) Reserves

Share-based payments reserve

Balance at the beginning of the year	1,040,749	980,249
Share based payment expense	27,500	60,500
Balance at the end of the year	<u>1,068,249</u>	<u>1,040,749</u>

Investment revaluation reserve

Balance at the beginning of the year	16,600	(74,700)
Change in investment revaluation reserve	-	91,300
Balance at the end of the year	<u>16,600</u>	<u>16,600</u>

(b) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued and shares granted to executives as share based payments.

Investment revaluation reserve

The investment revaluation reserve represents the cumulative gain and losses arising on the revaluation of available for sale financial assets that have been recognised in other comprehensive income.



7. DIVIDENDS

No dividends were paid during the review period half-year (31 December 2013: None). No recommendation for payment of dividends has been made (31 December 2013: None).

8. RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

Naiming (James) Li is the director and beneficiary of Pacway Investments Pty Ltd which received director's fees of \$18,900 for the half-year ended 30 June 2014 from Ishine (31 December 2013: \$27,000).

Mark Muzzin is a partner of the partnership M & C Muzzin which received director's fees of \$20,250 for the half-year ended 30 June 2014 from Ishine (31 December 2013: \$27,000).

Leonard Math is an employee of GDA Corporate, payments were made to GDA Corporate. They have two services contracts with Ishine International Resources Ltd both signed on 20 December 2009. The company Secretarial services agreement has a 3 months' notice period. Upon board review the fees for both services are \$2,450 per month each in the half-year ended 30 June 2014. The fees paid include company secretarial and accounting fees total of \$29,400 for the half-year ended 30 June 2014 from Ishine (31 December 2013: \$42,000).

9. EVENTS AFTER THE BALANCE SHEET DATE

No other matter or other circumstance has arisen since 30 June 2014, which has significantly affected, or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity for the half-year ended 30 June 2014.



DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 22 are in accordance with Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that Ishine International Resources Limited will be able to pay its debts and when they become due and payable.

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

Mr Yunde Li
Chairman
Perth, Western Australia
28 August 2014



Independent auditor's review report to the members of Ishine International Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ishine International Resources Limited (the company), which comprises the statement of financial position as at 30 June 2014, 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, selected explanatory notes and the directors' declaration.

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 (including the Australian Accounting Interpretations) 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 Australian 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 30 June 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 Ishine International Resources 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*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent auditor's review report to the members of Ishine International Resources Limited (cont'd)

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 Ishine International Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Ben Gargett'.

Ben Gargett
Partner

Perth
28 August 2014