



TIMPETRA RESOURCES LIMITED

**HALF YEAR FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2014**

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

CORPORATE DIRECTORY

ABN 74 143 928 625

Directors

Martin Priestley
Dimitri Burshtein
Douglas O'Neill

Company Secretary

Nicholas Geddes

Registered office

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Level 8, 70 Pitt Street
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Solicitors

Johnson Winter Slattery
Level 25,20 Bond Street
Sydney, NSW
Australia 2000

Bankers

Commonwealth Bank of Australia
10 Bridge Street
Sydney, NSW,
Australia 2000

Auditors

Ernst & Young
680 George Street
Sydney, NSW
Australia 2000

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

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TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

DIRECTORS' REPORT

The Directors present their report on the results of Timpetra Resources Limited for the half year ended 31 December 2014.

Directors

The names of the Company's Directors in office during the financial period and up until the date of this report are:

Name	Current Position	Date of appointment
Martin Priestley	Non-Executive Chairman	9-Oct-12
Dimitri Burshtein	Non-Executive Director	27-Mar-14
Douglas O'Neill	Non-Executive Director	13-May-13

Principal Activities

The principal activity of the Company is to identify, assess and invest in strategic gold opportunities.

Review and Results of Operations

Set out below is a review of significant activity for Timpetra for the half year ended 31 December 2014.

- The Company sold 89.3% of its holding in Saracen Mineral Holdings Limited ("Saracen" ASX:SAR). The balance of the shareholding was sold on the 6th and 7th of January 2015. Overall a profit before tax and costs of \$9,648,064 was realised on the investment in Saracen.
- The company paid \$0.124 to each registered holder of fully paid ordinary shares in the Company as at 7pm on 23rd December 2014.
- The company paid an unfranked special dividend of \$0.036 per share to each registered holder of fully paid ordinary shares as at 23rd December 2014. The dividend was paid on 29th of December 2014.
- On 17th December 2014 the Company resolved to pay up to \$0.023 per share to each registered holder of fully paid shares conditional upon quantifying the company's tax liabilities through receipt of a Private Tax Ruling. An announcement of the Record Date will be made when the Tax Ruling has been received.
- The company also engaged in a share buy-back during the period. It bought back \$930,129 worth of shares.

Financial Review

The Company reported a profit for the half year ended 31 December 2014 before Interest, Depreciation and Amortisation of \$1,047,939 (2013:\$1,725,365) and a profit before tax of \$1,047,939 (2013: \$1,725,365). This profit was due to the sale of Saracen shares and the revaluation of its investment in Saracen and KalNorth Goldmines (ASX: KGM) shares.

Significant events after the balance date

On 17th February 2015 the securities of Timpetra were suspended from quotation on the ASX. This is because the company had failed to comply with Listing Rule 12.1, which requires the entity to maintain a level of operations sufficient, in the ASX's opinion, to warrant the continued quotation of securities.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs

Other than the activities described in the Directors' report above, there were no other significant changes in the state of affairs of the Company in the six months ended 31 December 2014.

Dividends

An unfranked special dividend of \$0.036 per ordinary share was paid during the half year ended 31 December 2014.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the accounts.

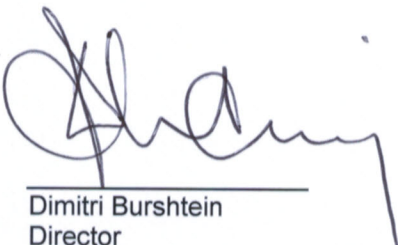
Auditor's Independence Declaration

An Auditor's Independence Declaration has been received from our auditors, Ernst & Young, which immediately follows this Directors' report.

Rounding

The Company has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the Directors' report have been rounded off to the nearest \$1.

Signed in accordance with a resolution of the Directors.



Dimitri Burshtein
Director
Sydney

12 March 2015



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Auditor's Independence Declaration to the Directors of Timpetra Resources Limited

In relation to our review of the financial report of Timpetra Resources Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Scott Jarrett
Partner
Sydney
12 March 2015

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 December 2014

	Note	31-Dec-14 \$	31-Dec-13 \$
Realised Profit on sale of shares		1,972,405	-
Unrealised Gain(Loss) on Revaluation of Shares		(795,477)	1,907,280
Other Income		126,958	5,458
Total Revenue		1,303,886	1,912,738
Occupancy expenses		-	(8,922)
Administrative and other expenses	2	(255,947)	(178,451)
			-
Profit before tax		1,047,939	1,725,365
Income tax expense		497,033	-
Profit after tax attributable to the members of Timpetra Resources Limited		550,906	1,725,365
Other comprehensive income		-	-
Total comprehensive profit/(loss) attributable to the members of Timpetra Resources Limited		550,906	1,725,365
Profit per share (cents per share)			
- basic profit per share		0.83	2.51
- diluted profit per share		0.83	2.51

These financial statements should be read in conjunction with the accompanying notes.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

at 31 December 2014

	Note	31-Dec-14 \$	30-Jun-14 \$
Assets			
Current Assets			
Cash and cash equivalents	4	2,985,394	218,111
Prepayments & Receivables		32,760	52,702
Investments - Listed Shares	5	966,742	14,536,363
Total current assets		3,984,896	14,807,176
Total Assets		3,984,896	14,807,176
Current liabilities			
Trade and other payables		62,473	16,667
Margin Loan		-	930,378
Provision for income tax		1,139,027	-
Total current liabilities		1,201,500	947,045
Non-current liabilities			
Deferred income tax		20,509	662,503
Total non-current liabilities		20,509	662,503
Total liabilities		1,222,009	1,609,548
Net Assets		2,762,887	13,197,628
Shareholders' equity			
Contributed equity		2,774,327	11,497,481
Share base payment reserve		89,432	89,432
Retained earnings		(100,872)	1,610,715
Total Shareholders' Equity		2,762,887	13,197,628

These financial statements should be read in conjunction with the accompanying notes.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2014

	Contributed equity	Share Based Payment Reserve	Retained Earnings	Total Equity
At 1 July 2013	11,497,481	89,432	(6,605,752)	4,981,160
Comprehensive income attributable to shareholders	-	-	1,725,365	1,725,365
Total comprehensive income for the period	-	-	1,725,365	1,725,365
Equity Transactions with owners				
Share option expense	-	-	-	-
At 31 December 2013	11,497,481	89,432	(4,880,388)	6,706,525
At 1 July 2014	11,497,481	89,432	1,610,715	13,197,628
Comprehensive income attributable to shareholders	-	-	550,906	550,906
Total comprehensive income for the period	-	-	550,906	550,906
Equity Transactions with owners				
Capital return	(7,793,024)	-	-	(7,793,024)
Share buy back	(930,130)	-	-	(930,130)
Dividend	-	-	(2,262,493)	(2,262,493)
At 31 December 2014	2,774,327	89,432	(100,872)	2,762,887

These financial statements should be read in conjunction with the accompanying notes.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

STATEMENT OF CASH FLOWS

for the half year ended 31 December 2014

	31-Dec-14 \$	31-Dec-13 \$
<i>Cash flows from operating activities</i>		
Payments and advances to suppliers and employees	(190,405)	(169,766)
Interest received	126,958	5,458
GST received	17,749	(17,929)
Net cash used in operating activities	(45,698)	(182,237)
<i>Cash flows from investing activities</i>		
Proceeds from Saracen share sale	14,954,035	-
Purchase of Investments - Listed Shares	(225,032)	(767,720)
Net cash used in investing activities	14,729,003	(767,720)
<i>Cash flows from financing activities</i>		
Margin loan SAR repaid	(930,378)	-
Capital return	(7,793,024)	-
Dividend paid	(2,262,491)	-
Share buy back	(930,129)	-
Net cash used in financing activities	(11,916,022)	-
Net increase in cash held	2,767,283	(949,957)
Cash at the beginning of the financial period	218,111	2,084,903
Cash and cash equivalents at the end of the period	2,985,394	1,134,946

These financial statements should be read in conjunction with the accompanying notes.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The general purpose condensed financial report for the half year ended 31 December 2014 has been prepared in accordance with AASB134 Interim financial reporting and the requirements of the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing and financing activities of the entity as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by Timpetra during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

Accounting policies, standards and interpretations

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report as at 30 June 2014. Timpetra has assessed the impact of Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and these do not have a material effect on the current financial statements for the half year ended 31 December 2014.

Fair values

All financial instruments for which fair value is recognised or disclosed are categories within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- (i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during the six month period ended 31 December 2014. The investments in listed shares fall under Level 1 because their market prices are quoted on the ASX.

The carrying amounts of each class of financial assets and financial liabilities are a reasonable approximation of their fair values (for example, short term receivables and payables).

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2014

2. ADMINISTRATIVE AND OTHER EXPENSES

	31 December 2014	31 December 2013
	\$	\$
Audit fees	21,498	11,480
Consulting fees	28,000	0
Legal fees	16,363	8,766
Travel and accommodation	257	8,355
Directors Fees & Salaries	115,016	59,994
Other administrative expenses	74,813	89,856
	255,947	178,451

3. DIVIDEND and CAPITAL RETURN

Below we explain how each of the transactions returning cash to shareholders during the period was accounted for:

- (i) The company paid \$0.124 to each registered holder of fully paid ordinary shares in the Company as at 7pm on 23rd December 2014. This resulted in a reduction of share capital of \$7,793,024.
- (ii) The company paid an unfranked special dividend of \$0.036 per share to each registered holder of fully paid ordinary shares as at 7pm on 23rd December 2014. The dividend of \$2,262,491 was subtracted from retained earnings.
- (iii) The company engaged in a \$930,129 share buy-back during the period, which was accounted for as a deduction from equity.

4. CASH AND CASH EQUIVALENTS

	31 December 2014	30 June 2014
	\$	\$
Cash at bank and in hand (a)	2,985,394	218,111
	2,985,394	218,111

- (a) The effective interest rate on short-term bank deposits for the half year ended 31 December was 2%.

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2014

5. NON-CURRENT ASSETS-FINANCIAL ASSETS AT FAIR VALUE

	31 December 2014	30 June 2014
	\$	\$
Quoted Equity Securities	966,742	14,536,363
Reconciliation		
Opening Balance at 1 July	14,536,363	3,999,175
Additions	225,032	2,458,629
Disposals	(14,954,035)	-
Revaluation	1,159,382	8,078,559
Closing Fair Value	966,742	14,536,363

The investments in Saracen and Kalnorth Gold Mines Limited are accounted for at fair value through profit & loss.

\$225,032 worth of KalNorth Gold Mines Limited shares were purchased during the period. The company subsequently was suspended from trading and an 'unrealised loss' has been recognised on revaluation of the shares to nil.

6. OPERATING SEGMENTS

The Company has considered and determined operating segments based on the information provided to the Board of Directors (Chief Operating Decision Maker).

Timpetra operates predominately in one business segment, investment in strategic gold opportunities, this is considered the only operating segment. The Company is no longer undertaking exploration activities. There are no material differences between the financial information presented to the Chief Operating Decision Maker and the financial information presented in this report.

7. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities outstanding at 31 December 2014 (30 June 2014: nil).

8. EVENTS AFTER THE END OF REPORTING PERIOD

There were no significant matters or circumstances that have arisen since 31 December 2014, other than the sale of the remaining SAR shares, that has significantly affected, or may significantly affect the entity's operations, the results of operations, or the entity's state of affairs in future financial years. The remaining 3,719,147 shares were sold on January 6th and January 7th 2015, representing the completion of the transaction. Overall the average cost was \$0.1821 cents per SAR share and the average sale price was \$0.4543, generating a profit before tax of \$9,648,064.

9. RELATED PARTY TRANSACTIONS

Transactions with related parties

There were no transactions with related parties

TIMPETRA RESOURCES LIMITED – HALF YEAR FINANCIAL REPORT

DIRECTORS' DECLARATION

for the half year ended 31 December 2014

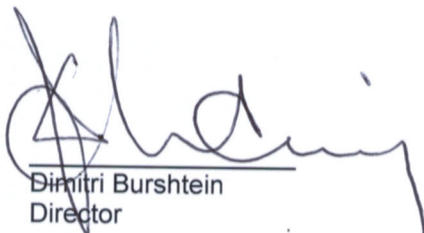
In accordance with a resolution of the Directors of Timpetra Resources Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes of Timpetra Resources Limited for the half year ended 31 December 2014 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
- c) 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.

On behalf of the Board



Dimitri Burshtein
Director

12 March 2015



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To the members of Timpetra Resources Limited:

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Timpetra Resources Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company'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 Timpetra 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



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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 Timpetra Resources 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 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 the *Corporations Regulations 2001*.

Ernst & Young

Scott Jarrett
Partner
Sydney
12 March 2015