



**Ishine International Resources
Limited**

ABN 64 139 522 553

Annual Financial Report

for the year ended 30 June 2013

Corporate Information

ABN 64 139 522 553

Directors

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

Executives

Mr Chuanshui (Frank) Yin (Chief Executive Officer)

Company Secretary

Mr Leonard Math

Principal Place of Business

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Fax: (08) 9200 5638

Registered Office

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WEST PERTH WA 6005
Tel: (08) 9322 2700
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Share Registry

Security Transfer Registrars
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APPLECROSS WA 6153
Tel: (08) 9315 2333
Fax: (08) 9315 2233

Auditors

Deloitte Touche Tohmatsu
Woodside Plaza, Level 14
240 St Georges Terrace
PERTH WA 6000
Tel: (08) 9365 7000
Fax: (08) 9365 7001

Internet Address

www.ishineresources.com

Securities Exchange Listing

Ishine International Resources Limited (ISH) shares are listed on the Australian Securities Exchange.

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Review of Operations

Corporate

Ishine International Resources Limited ('Ishine' or 'the Company') completed a placement of 3,551,291 shares at \$0.22 each raising \$781,284 pursuant to Resolution 3 approved by shareholders at the Annual General Meeting held on 30 November 2012. The placement was issued to Shandong Ishine Mining Industry Co.'s ("SIMIC"), increasing their holding in the Company from 68.27% to 69.83%.

Funds raised will be used to maintain the tenements held by the Company and for working capital.

Ishine also advises that 200,000 Options exercisable at \$0.30 each have expired.

Ishine attended the International Mining conference in Tianjin, China to promote the Company's profile and to showcase the project areas held in Western Australia and South Australia, with the aim of attracting potential investors.

Exploration

During the year ended 30 June 2013, Ishine has progressed in the project development for its 100% owned tenements and the joint venture tenements with total ground area of over 8,954km². The major achievement has been to bring in the farm-in partners for advancing the Company's project development covering tenements in Halls Creek, Narembeen, Laverton, Pingandy in Western Australia, tenement in Willouran Ranges in South Australia and tenements in Northwest of QLD with the focus on the Mt Watson projects in Queensland and securing 100% owned exploration tenements for a total ground area of over 8,954km². As Ishine's tenements were progressively granted, each project development progressed to different stage; corresponding to this nature, different exploration work were conducted covering field reconnaissance, airborne geophysical surveys VTEM, field geochemical surveys and drilling.

Mt Watson (ISH 70%, Kabiri 30%)

The Mt Watson Project has two tenements EPM15933 and EPM15986 and is situated approximately 120km north of Mt Isa in northwest Queensland. The tenement covers an area of 63.6 km² in a district with extensive copper mineralization. In late 2009, Ishine signed a Heads of Agreement with Kabiri Resources Pty Ltd to allow Ishine to earn a 70% undivided interest in the project area by spending a total of \$800,000 of exploration expenditure within 42 months of the Effective Date of 31st March 2010. Following Kabiri's review of Ishine's exploration expenditure over the 12 months period to the 30 September 2012, Kabiri confirmed to the Company on the 30 October 2012 that Ishine had earned a 70% undivided interest in the Mt Watson project in northwest Queensland. The Company is in advanced discussions with Kabiri Resources Pty Ltd in executing a new Joint Venture Agreement on the Mt Watson Project following the expiry of the previous Heads of Agreement.

Ishine's Joint Venture partner, the 8th Institute of Geology and Mineral Exploration ("IGME") is actively involved in gaining understanding of the operational requirement by the Queensland Government regarding tenement exploration drilling activities in this state and has completed a 12 holes drilling program at the Mt Watson project site. While preparing the drilling campaign, an earth moving contractor with drill pad preparation experience was engaged and successfully completed drill pads and access road grading for the Mt Watson Project approximately 130 km Northeast Mt Isa in Queensland, building a safe foundation for the RC drilling.

The 12 drill holes, of angled RC drilling, were based on a previously identified versatile time domain electromagnetic survey (VTEM) anomalies 5 km to the south-west and along strike of the Mt Watson copper mine. Extensive pad preparation was carried out due to the location of the proposed drill sites, which were located on a hill. A total of 1,174 metres was drilled as planned. Drilling depths ranged from 70metres, on a few difficult holes, to 160 metres. One sample per meter drilled was collected.

Assay Results

Twelve RC drillholes (totalling 1,174 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. Figures 1 and 2 show the drillhole locations.

Table 1 Drillhole Collars

Drillhole	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)
ZK3-1	7811956	379840	278	78	110	60
ZK3-2	7811983	379804	275	120	110	60
ZK3-3	7812007	379774	273	102	110	60
ZK5-1	7811794	379756	276	96	105	60
ZK5-2	7811810	379735	278	78	105	60
ZK7-1	7811606	379704	277	84	120	60
ZK7-2	7811637	379649	283	144	120	60
ZK10-1	7811403	379462	285	78	145	50
ZK10-2	7811441	379430	287	120	145	60
ZK20-1	7810809	378424	266	120	110	60
ZK25-1	7810330	378140	254	84	120	60
ZK27-1	7810271	377922	250	70	170	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.

Samples were collected for every metre drilled and 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).

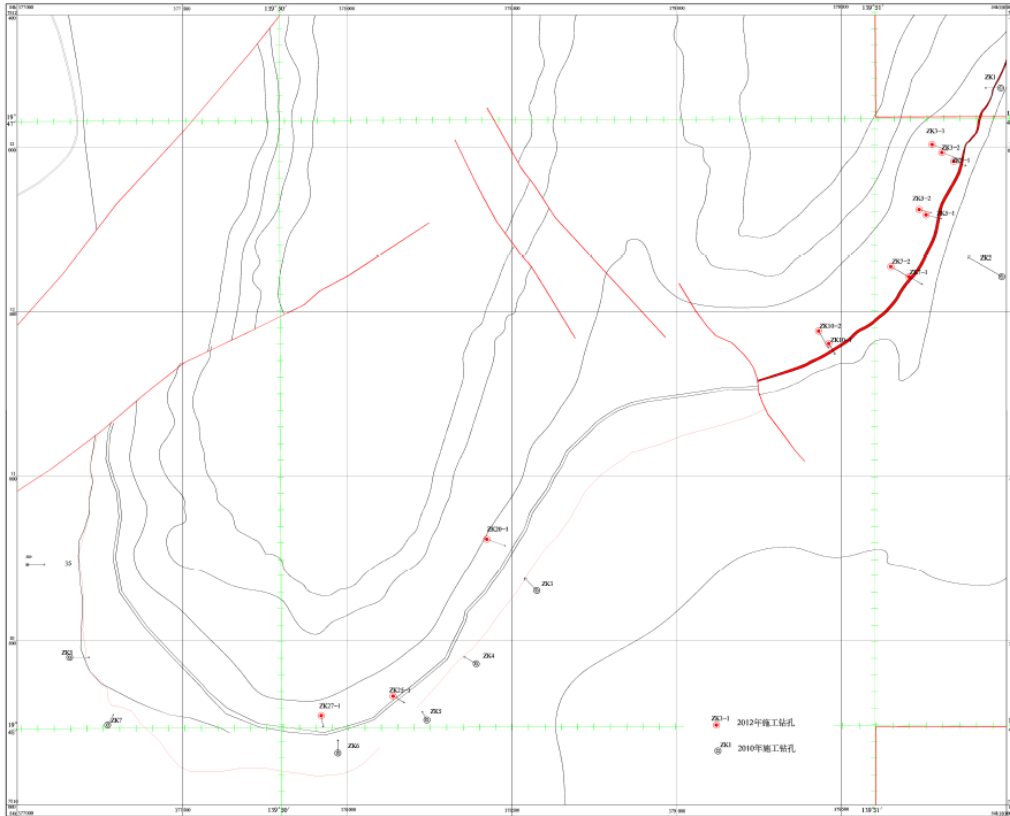
Drill hole ZK25-1 intersected one shallow zone of low order anomalous copper (Cu) with grades up to 1,390 ppm Cu (Table 2).

Table 2 Anomalous Copper Assays

Depth From (m) ¹	Depth To (m)*	Cu (ppm)	Pb (ppm)	Zn (ppm)
18	19	1,200	6	38
19	20	1,390	11	45
20	21	1,060	10	36

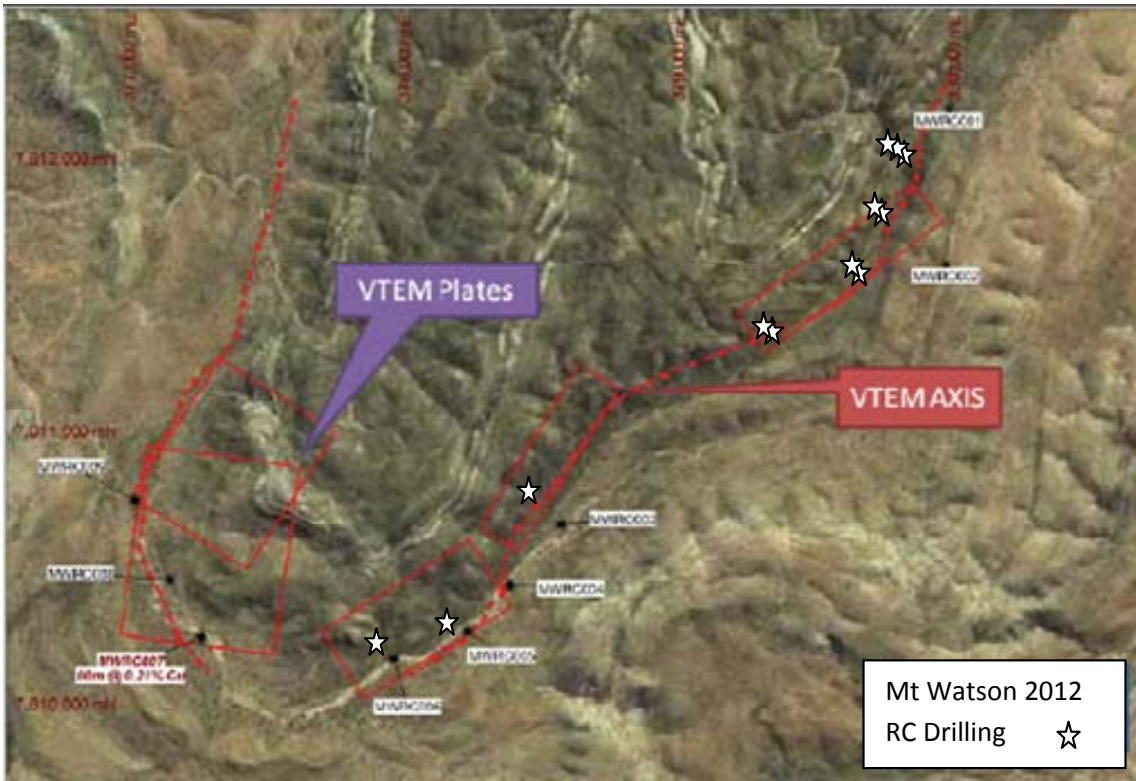
¹ Intersections are downhole measurements

Figure 1 Location of 2012 Drilling



Scale 1:5000

Figure 2 Location of 2012 Drilling Within the Fold Structure



In 2013 Ishine plans to confirm the style of mineralisation along the fold structure by drilling seven diamond drillholes, for a total of 1,300 m, on tenement EPM15986.

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 2004 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.

Proposed Drilling Program

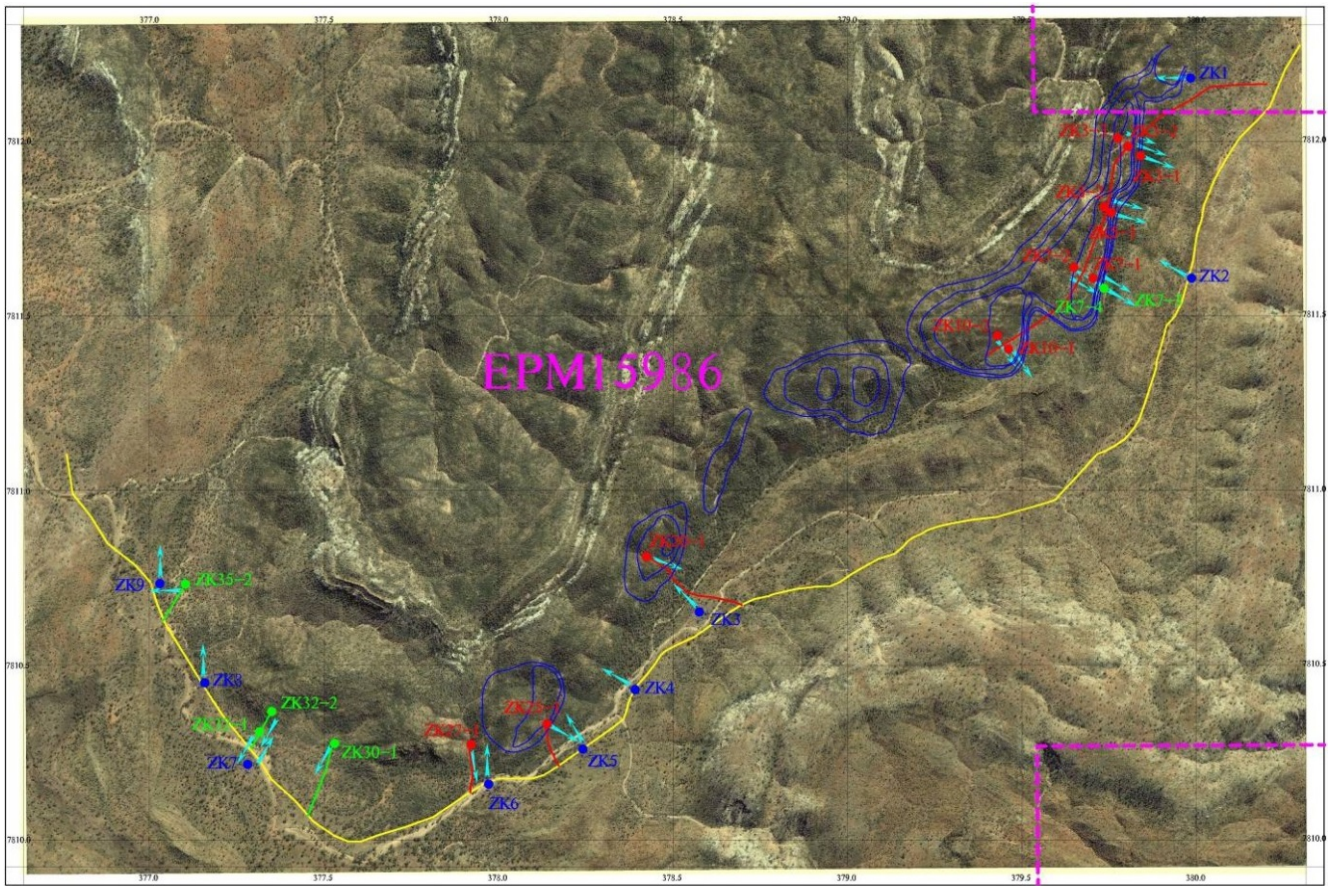
In early 2013, 8th Institute of Geology and Mineral Exploration (“IGME”), JV partner of Ishine in the Mount Watson Copper project, has planned a drilling program for another six diamond drill holes. The total drilling depth planned is 1,050m, with details of proposed drill holes shown in Table 3 and Figure 3.

Existing roads and tracks used in the previous two drilling programs will be used for access in the drilling area. Prior this drilling program, additional road construction of a total 500 metres including widening of existing dirt roads to 3 metres will be conducted for each location. The drilling samples will be collected every one meter and will be sent for analysis.






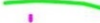


Table 3 Proposed drill hole details

Number	Northing(m)	Easting(m)	azimuth	dip	depth(m)
ZK7-3	7811576	379732.71	120°	75°	150
ZK7-4	7811576	379732.71	300°	75°	150
ZK30-1	7810276	377529.9	210°	75°	200
ZK32-1	7810307	377314.01	210°	75°	150
ZK32-2	7810366	377349.82	210°	75°	200
ZK35-1	7810732	377099.09	270°	75°	200

Figure 3 Mt Watson EPM 15986 2013 Proposed Drill Holes



Legend

-  ZK1 Drill Holes In 2010 、 ID And Azimuth
-  ZK3-2 Drill Holes In 2012 、 ID And Azimuth
-  ZK35-2 Drill holes will be done in 2013 、 ID And Azimuth
-  Tracks before 2010
-  Tracks we repaired in 2012
-  Tracks will be done in 2013
-  Tenement boundary
-  VTEM Anomaly

Narembeen (ISH 100%)

Ishine’s JV partner, IGME completed a 308 line kilometres of helicopter borne VTEM survey for tenement E70/3880 in Narembeen area. The results will be used for further defining the exploration targets. IGME were also involved in various negotiations regarding the native title agreements and other tenements management issues.

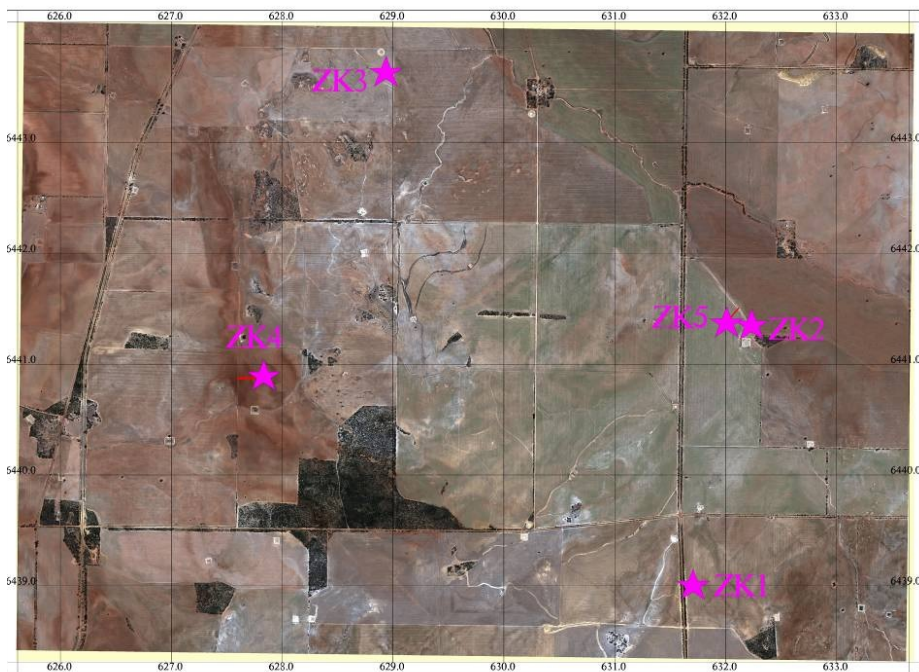
Drilling plan

In early 2013, Ishine has designed drilling program over the high anomalies area by using VTEM surveys in previously year over the tenement E70/3380 in Narembeen. At the date of this report, Ishine has conducted heritage surveys on Narembeen project with tenement E70/3880. Following the completion of the report on the heritage survey report, Ishine and IGME JV will then plan to undertake the drilling programs. Refer to Table 4 and Figure 4 on the proposed drill holes.

Table 4 Proposed drill holes details

Drill hole ID	Northing (m)	Easting (m)	Azimuth (°)	Dip (°)	Depth (m)
ZK1	6438999	631706	110	60	200
ZK1-1	6438999	631706	290	60	200
ZK2	6441347	632236	110	60	200
ZK3	6443629	628936	90	60	200
ZK4	6440888	627834	75	60	200
ZK5	6441367	632139	110	60	200
ZK5-1	6441367	632139	290	60	200

Figure 4 Proposed drill hole locations on Narembeen tenement E70/3880



Legend

- ZK2 ★ Holes location and ID
- Tracks will be built

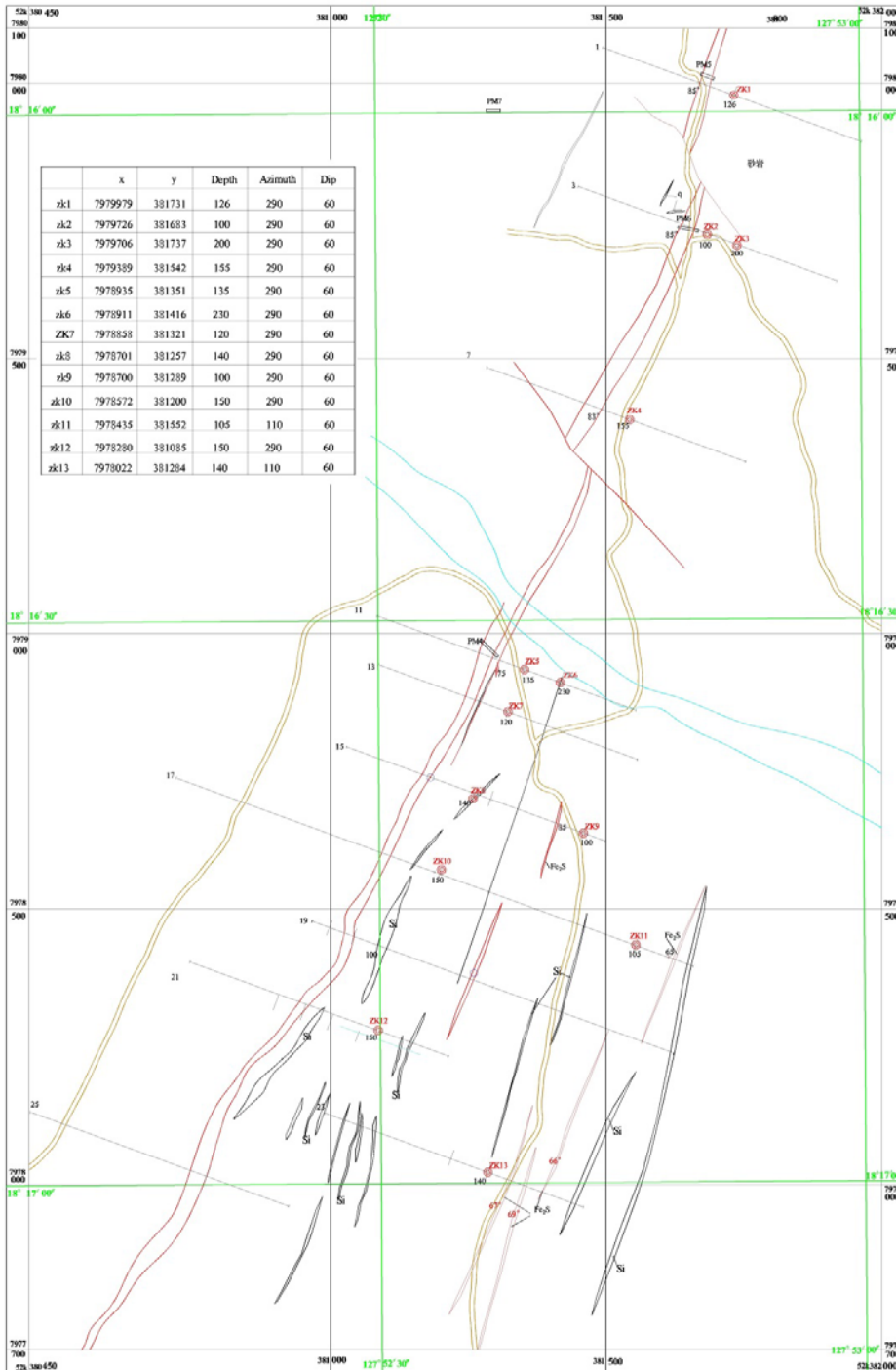
Scale 1:10000

Halls Creek (ISH 100%)

Drilling plan

During in early 2013, Ishine also has designed a drilling program over the high anomalies identified by VTEM surveys in previously year over the tenement E80/4450 in Halls creek. Ishine has conducted heritage surveys on Halls Creek project with tenement E80/4450. Upon completion Ishine with JV partner, IGME plan to undertake a drilling program. Refer to Figure 5 for proposed drilling locations.

Figure 5 Proposed Drilling plan on tenements E80/4450 Halls Creek



Scale 1:5000

Laverton (ISH 100%)

VTEM survey has been conducted by the Geotech Airborne for partial regions of E38/2435, E38/2601 and E38/2635 in Laverton after extensive field ground reconnaissance survey. The field Total Magnetic Intensity (TMI in nT) image with the legend (does not apply to the background geological map) attached on the right hand side of the frame is shown in Figure 6, Figure 7 and Figure 8. A number of strong anomalies have also been revealed. These anomalies have provided strong shortcuts to further zooming in onto the exploration targets.

Figure 6 Anomalies revealed by VTEM surveys Laverton tenement E38/2435

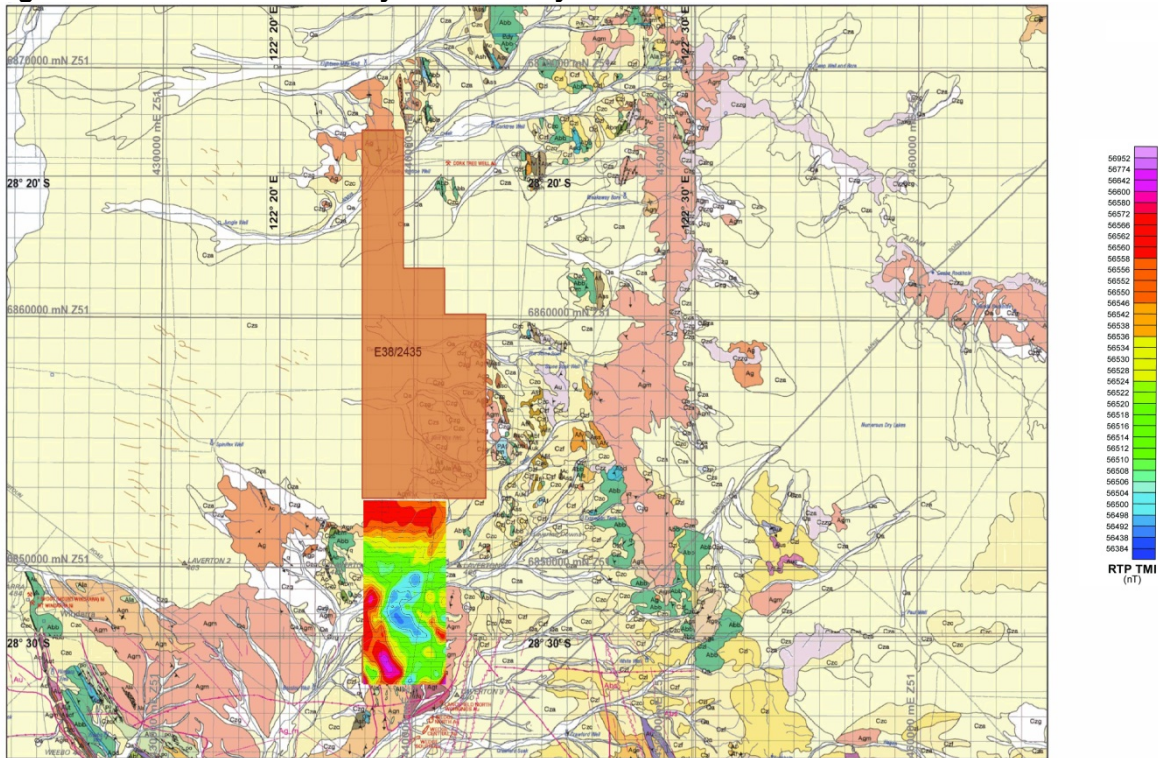


Figure 7 Anomalies revealed by VTEM survey for Laverton tenement E38/2601

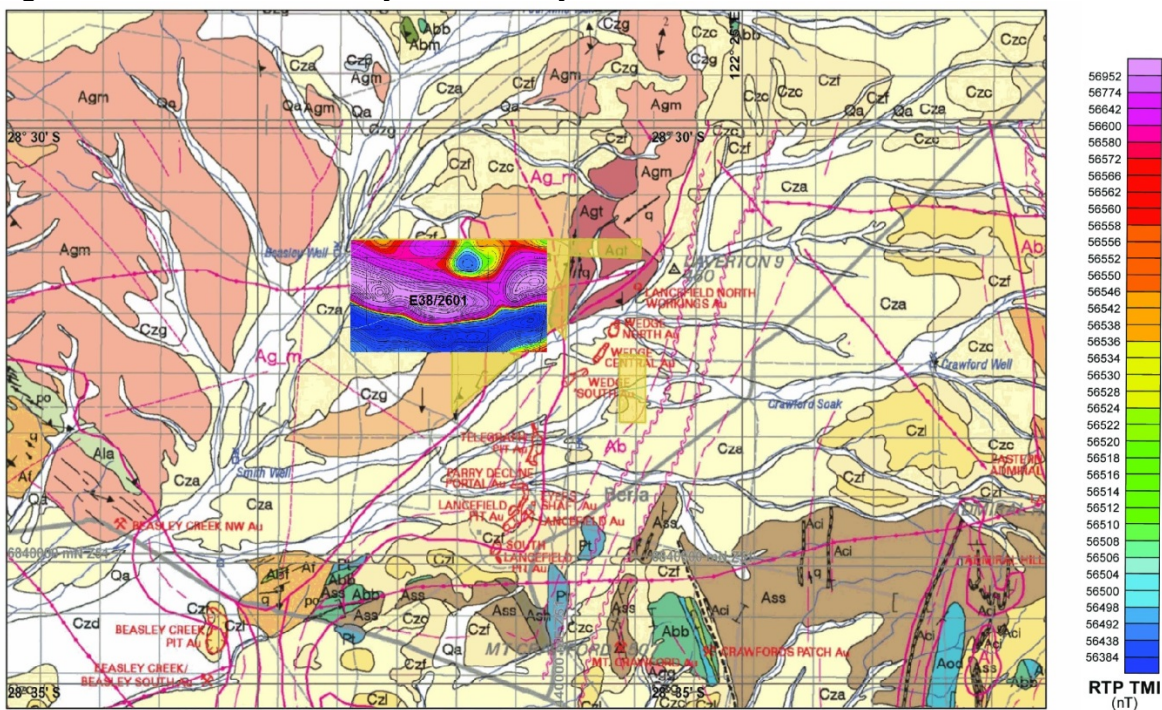
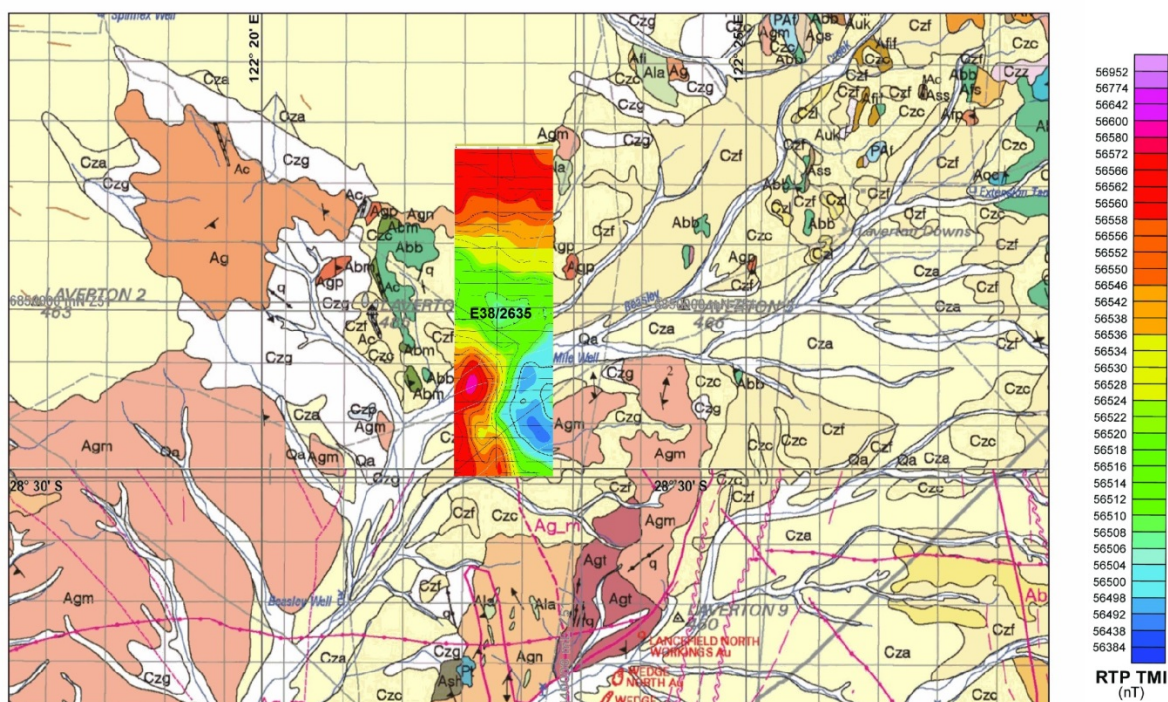


Figure 8 Anomalies revealed by VTEM survey for Laverton tenement E38/2635



Other Exploration Activities

Further field reconnaissance was carried out for WA tenements E80/4478 and E80/4450 in Sophie Downs, Halls Creek, E38/2435, E38/2601 and E38/2635 in Laverton.

During the year, Ishine carried out field reconnaissance surface geology leading to the finalisation of VTEM survey areas. A helicopter borne VTEM has surveyed 133 line kilometres for tenement E80/4478 and 499 line kilometres for tenement E80/4450. Post survey data processing is currently under way. Ishine continued to review geology and previous exploration data for tenements E77/1786 in Narembeen and E37/1073 in Laverton area in order to fine tune the exploration programs for the two tenements.

Field Reconnaissance conducted in Marree Project in South Australia

Prospective Ishine joint venture partner, Inner Mongolia Fourth Geological Mineral Resources Exploration Development Co. Ltd, commenced exploration on Ishine Marree Project tenements in South Australia including EL 4832, EL 4833, EL 4834, and EL 4835.

Marree Project is located in Finnis Springs area - approx. 60km West of Marree. A site inspection has been conducted by geologists on all four exploration licenses areas. Based on the inspection and SARIG magnetic images, the geologists decided to focus on the magnetic anomaly area (Figure 10), which is located Northwest of Marree Project in EL 4833 (Figure 9). During the year, 713 geochemical samples, 85 rock chips samples, 20 rock slice samples, and 10 thin section samples have been collected in the Marree Project areas. All the samples will be sent for analysis.

Figure 9 South Australia Project Locations

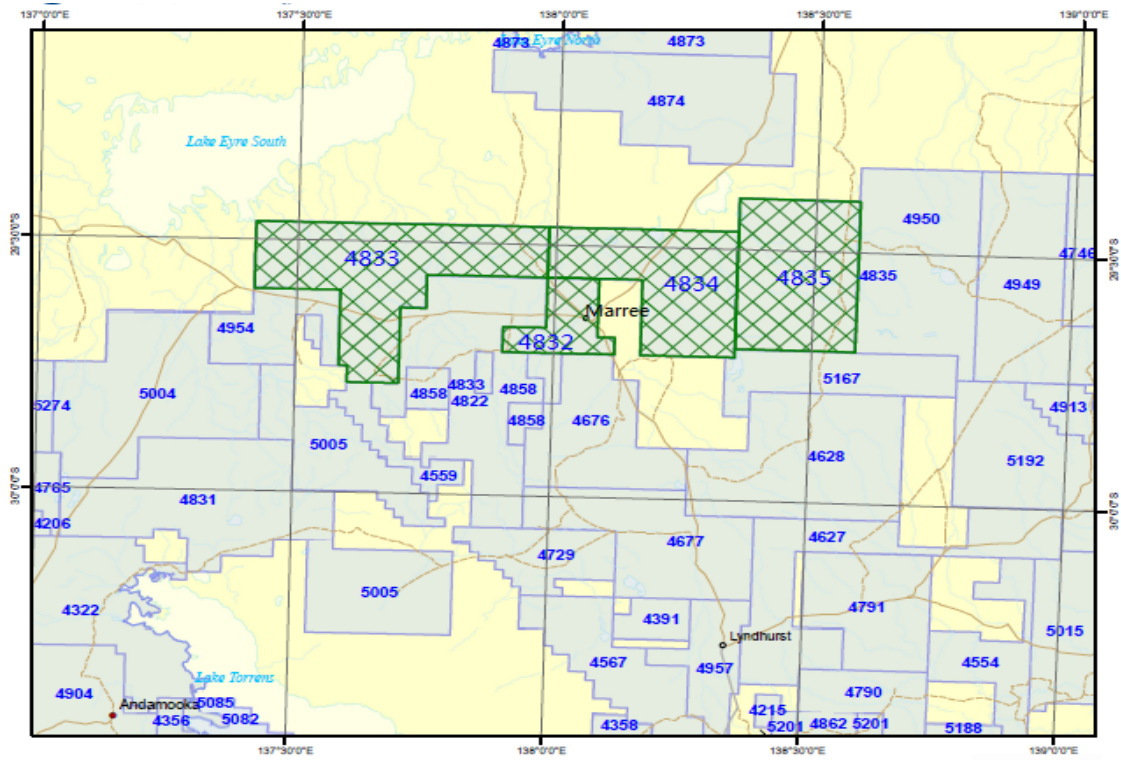
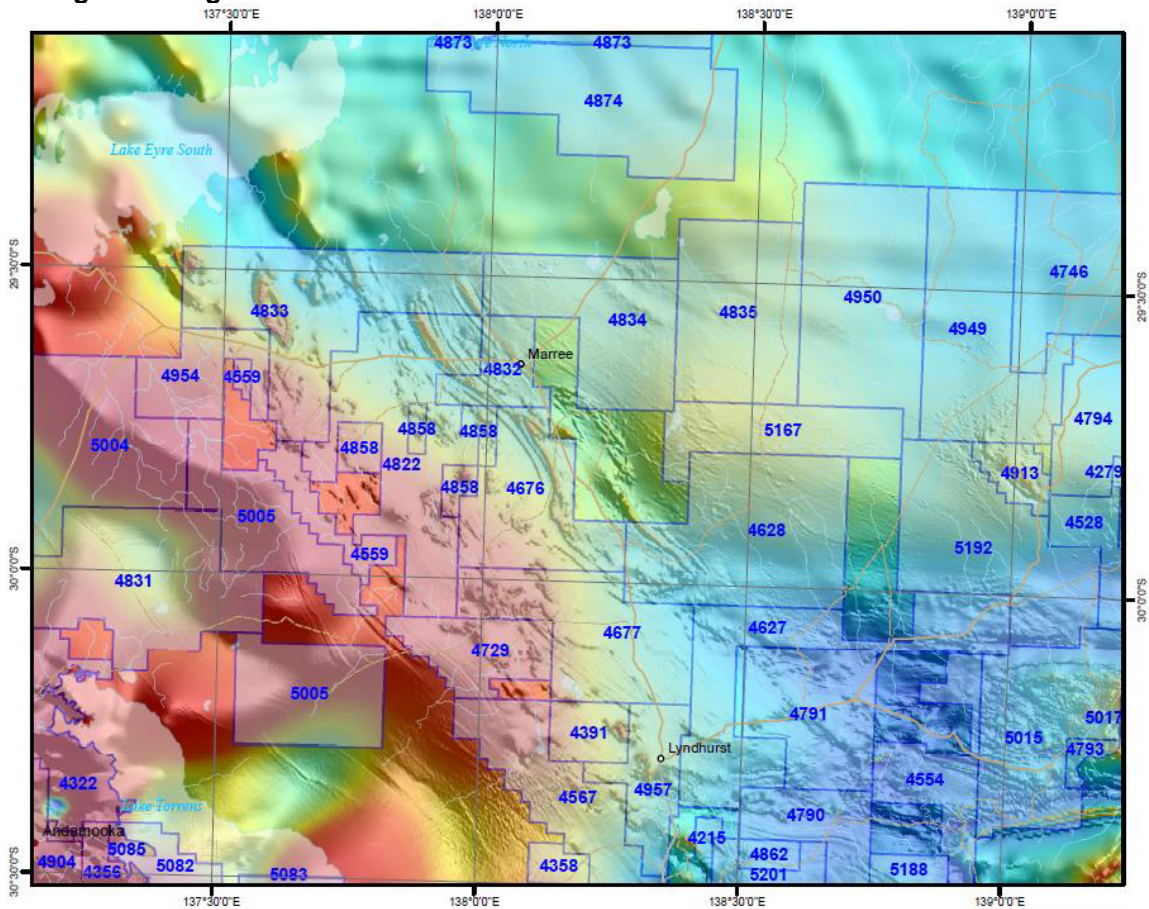


Figure 10 Magnetic Images from SARIG



Exploration licences granted

Up to 27th September 2013, 2 more exploration licenses were granted in Western Australia 1 exploration licenses were granted in South Australia, and 1 exploration licenses were granted in Queensland, 2 tenements are pending. The size, location and target minerals in each of the exploration tenements are presented in Figure 11 and Table 5 below. The total exploration ground has extended to 8,954m2.

Figure 11 Locations of Ishine Exploration Projects

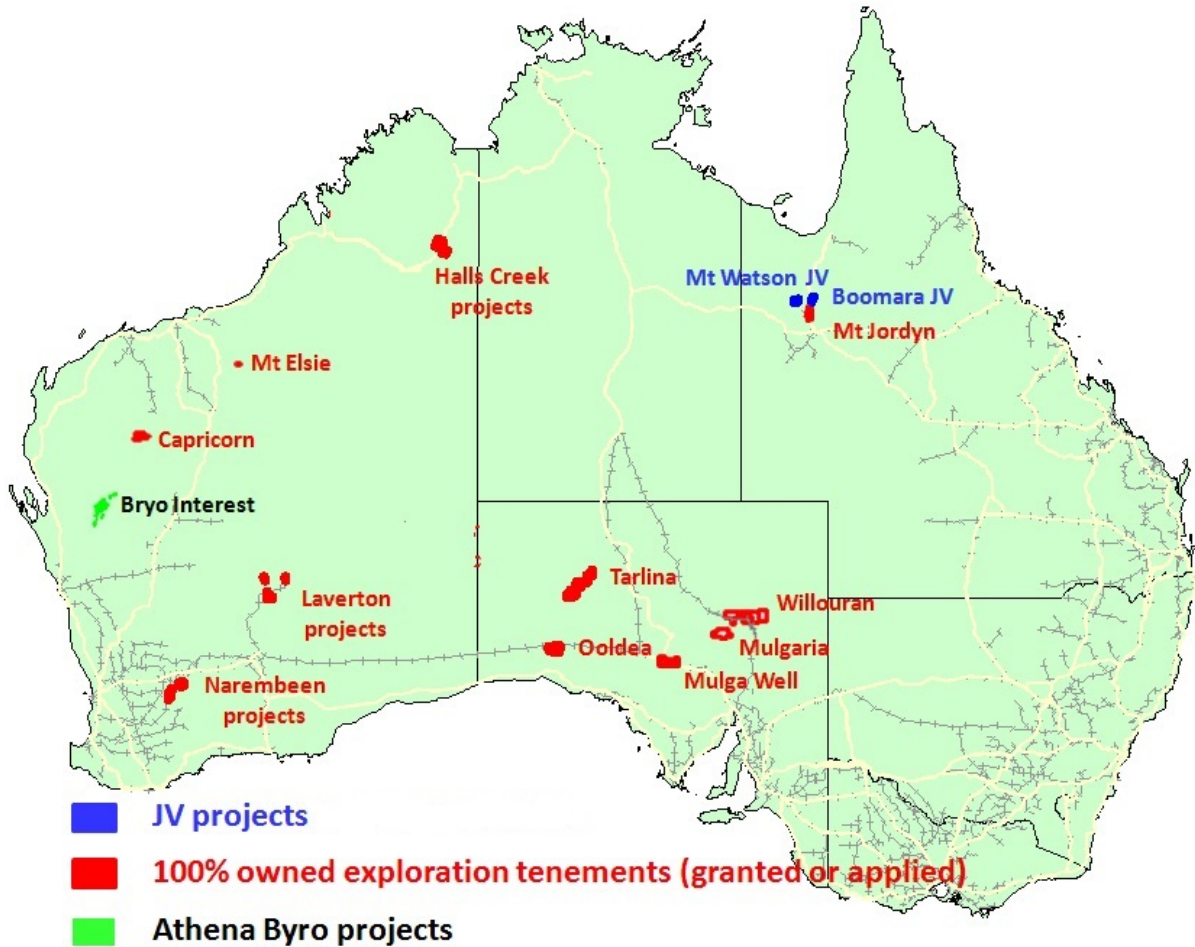


Table 5 Ishine's 100% Owned Exploration Tenements (Granted or Under Application)

State	Licence Number	Date Applied	Size, km ²	Locality	Status	Target Minerals
WA 2,031km ²	E 38/2435	9-Apr-10	66	LAVERTON SHIRE	Granted	Ni, Au
	E 80/4478	21-Sep-10	126	HALLS CREEK	Granted	Ni, Cu, Co
	E38/2601	1-Feb-11	8	Mt Crawford, Mt Margaret	Granted	Ni, Au
	E38/2635	27-Apr-11	6	Laverton	Granted	Ni, Au
	E 70/3880	15-Apr-10	203	NAREMBEEN SHIRE	Granted	Au
	E 80/4450	14-Jun-10	129	HALLS CREEK	Granted	Ni, Cu, Co
	E 80/4448	18-May-10	501	HALLS CREEK SHIRE	Granted	Fe
	E 08/2222	12-Oct-10	332	Gascoyne	Granted	Mn, U
	E 77/1786	19-Apr-10	204	MERREDIN, NAREMBEEN and YILGARN	Granted	Fe
	E 37/1073	24-Jun-10	99	LAVERTON	Granted	Ni, Au
	E 39/1582	24-Jun-10	18	LAVERTON	Granted	Ni, Au
	E 37/1074	24-Jun-10	10	LAVERTON	Granted	Ni, Au
	E 45/3791	6-Oct-10	44	Pilbara	Granted	Fe
	E80/4639	15-Aug-11	130	HALLS CREEK SHIRE	Granted	Fe
	E08/2239	17-Jan-11	103	Pingandy, Ashburton	Granted	Mn
E80/4619	6-May-11	52	Moola Bulla, Kimberley	Granted	Ni, Cu, Au	
SA 6,804km ²	EL4829	1-Jul-10	736	Ooldea Range, SA	Granted	Cu, Ni, Lead, Zinc
	EL4830	28-Jul-10	309	Mulga Wells, SA	Granted	Au, Co, U
	EL4831	4-Aug-10	992	Mulgaria, North of Olympic Dam	Granted	U
	EL4832	18-Aug-10	219	Willouran Ranges, SA	Granted	U
	EL4833	25-Aug-10	969	Willouran Ranges, SA	Granted	U
	EL4834	25-Aug-10	690	Willouran Ranges, SA	Granted	U
	EL4835	25-Aug-10	753	Willouran Ranges, SA	Granted	U
	ELA-196/10	28-Jun-10	962	Tarlina, SA	Pending	Cu, Ni, Lead, Zinc
	ELA-197/10	29-Jun-10	648	Tarlina, SA	Pending	Cu, Ni, Lead, Zinc
	EL5158	13-Dec-10	526	Cadney Park, SA	Granted	Cu, Ni, Lead, Zinc
QLD 119km ²	EPM19142	16-Mar-11	119	Mt Jordyn - Boomarra	Granted	Cu, Mo
SUMMARY	27 Tenements		8,954 km²	WA, SA and QLD		Fe, Cu, Ni, Au, Pb, Zn, Co, Mn, U, Mo, Mineral Sand

Directors' Report

The directors of Ishine International Resources Limited submit herewith the annual report of the Company for the year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr Yunde Li Executive Chairman	<p>Mr Yunde Li has been a Director, General Manager and a principal shareholder of Ishine Mining Company Co. Ltd (IMGC) since 2001. He is an economist and has over 20 years' experience in mining and mineral processing with extensive training in business administration at Beijing University and Tsinghua University.</p> <p>From 1966 to 2001 he was General Manager of Yishui Xinxing Mining prior to the privatisation and IMGC. He has been involved as an investor, promoter and/or director in resource companies such as, Yishui Xingxing Mining Pty Ltd, Shandong Ishine Mining Co, Yishui Heshen Mineral Process Pty Ltd, which have joint assets of over \$200 million and generates an annual profit of approximate \$70 million.</p> <p>Mr Yunde Li has not held any directorships of other listed companies in the last 3 years.</p>
Mr Naiming (James) Li Non-executive Director	<p>Mr James Li holds a Bachelor's Degree from Fudan University in China in Science, Majoring in Organic Chemistry and a Post Graduate Diploma in Industrial Chemistry from Swinburne, Victoria, Australia. He was the Chief Representative of China Business in a leading full services broking house in Australia for the last ten (10) years. He is now a director of a stockbroking house in Melbourne with operations in both Australia and Hong Kong.</p> <p>Mr James Li has strong relationships in China across all levels of government, through to state owned enterprises and private companies. He has a particularly strong relationship with the China Mining Association (CMA).</p> <p>He provides financial services to the Chinese communities across Australia and overseas. He has been involved in a range of major corporate deals in Australia involving China including facilitating the first uranium deal between Australia and China in 2006 and initiating and facilitating the Western Australian Abra project in 2007. He also was involved in many other Iron Ore and base metal corporate deals. In the past few years, he has also helped many Chinese companies with their ASX listings.</p> <p>Mr James Li is the Deputy Secretary of International Mining Promotions of China Mining Association (CMA). He is also the Vice President of Australia – China Mining Association.</p> <p>Mr James Li is a Director of ASX Listed Australia New Agribusiness and Chemical Group Limited.</p> <p>Mr James Li was a non-executive Director of Rocklands Richfield Ltd which was listed in the ASX Appointed 20 October 2009.</p>
Mr Mark Muzzin Non-executive Director	<p>Mr Mark Muzzin has had over 20 years of commercial experience and holds a B.A. degree from Latrobe University, Melbourne. His career commenced in the mid-eighties with a London stock broking firm and he has consulted for two of the major banks in Australia in the share custodian area. He has been involved in capital raising activities for resource companies in Australia and has consulted to various oil/gas and minerals companies. Mr Mark Muzzin has served as General Manager of a number of public companies.</p> <p>Mr Mark Muzzin is the Managing Director/CEO of Strategic Energy Resources Limited, an ASX listed company, appointed 4 December 2008. He is also a Director of a number of Australian private companies.</p>

Directors' shareholdings

The following table sets out each director's relevant interest in shares of the Company as at the date of this report. There were no options on issue to directors during the period up to the date of this report.

	Shares	
	<i>Held directly</i>	<i>Held indirectly</i>
Mr Yunde Li (i)	10,000,000	63,151,291
Mr Naiming (James) Li	-	-
Mr Mark Muzzin	-	-

(i) The 63,151,291 shares are held in the name of Shandong Ishine Mining Industry Co Ltd (a company in which the Director is a shareholder).

Chief Executive Officer

Name	Particulars
<p>Mr Chuanshui(Frank) Yin Chief Executive Officer (Appointed 1 December 2012)</p>	<p>Mr Yin has nearly 20 years of operational and management experience, starting his career in a large juice enterprise in PRC in 1994. He has had mining and mineral processing training in business administration at Tsinghua University and Toronto University. He has been active in developing Sino-Australia business ventures in mining and has facilitated a number of negotiations between Chinese and Australian parties in mining development investments and off-take agreements. He has developed a good network of business relationships all around the world.</p> <p>Mr Yin holds a Master degree in Economics and Law from Zhongnan University. He is currently completing a doctorate degree in Finance. He has significant diverse experience in business marketing and finance research.</p> <p>Mr Chuanshui Yin has not held any directorships of other listed companies in the last 3 years.</p>

Company secretary

Name	Particulars
<p>Mr Leonard Math BBus, CA</p>	<p>Mr Leonard Math graduated from Edith Cowan University, majoring in Accounting and Information Systems, in 2003 and is a member of the Institute of Chartered Accountants. In 2005 Mr Leonard Math worked in the audit division at Deloitte before joining GDA Corporate. He is currently the Manager for Corporate Services at GDA Corporate.</p> <p>His public company responsibilities include corporate compliance roles, including extensive liaison with ASX and ASIC, control and implementation of corporate governance, completion of annual financial reports and auditor liaison, and shareholder relations with registry and shareholders both retail and institutional.</p> <p>He is also the Company Secretary of Dragon Energy Limited, Mako Hydrocarbons Ltd, Elemental Minerals Limited, Padbury Mining Ltd and RMA Energy Limited.</p>

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the exploration of mineral prospects.

REVIEW OF OPERATIONS

A review of the Company operations for the financial year is set out in the Review of Operations on pages 3 to 14 of this report.

CHANGES IN THE STATE OF AFFAIRS

Apart from noted elsewhere in this report, no significant changes in the state of affairs of the Company occurred during the financial year.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

FUTURE DEVELOPMENTS

The Company will continue its mineral exploration activities with the objective of finding mineralised resources.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

ENVIRONMENTAL REGULATIONS

The Company is subject to significant environmental regulation in respect to its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

SHARES UNDER OPTION

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Ishine International Resources Limited	5,000,000	Ordinary	20 cents	31 December 2015

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company.

IMDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company,
- The provision of Directors and Officers Liability Insurance, and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the year ended 30 June 2013 and the number of meetings attended by each director (while they were a director). During the financial year 3 board meetings were held.

Directors	Board of Directors	
	No of eligible meetings to attend	Number attended
Mr Yunde Li	3	3
Mr Naiming (James) Li	3	3
Mr Mark Muzzin	3	3

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the period by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services disclosed in note 23 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 22 of the financial report.

REMUNERATION REPORT (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Ishine International Resources' directors and senior management for the financial year ended 30 June 2013. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and senior management details
- remuneration policy
- remuneration of directors and senior management
- key terms of employment contracts

Director and senior management details

The following persons acted as directors during or since the end of the financial year:

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

The term "senior management" is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current positions for the whole of the period and since the end of the financial year:

Mr Chuanshui Yin	Chief Executive Officer
Mr Leonard Math	Company Secretary

Remuneration and nomination procedures

The Board considers that the Company is not of a size to justify the formation of a remuneration or nomination Committee. The Board is able to address these aspects of the Company's activities and will adhere with the appropriate ethical standards and with the remunerations and nomination procedures. The Board will review the remuneration policies and packages of all Directors and senior executive officers on at least an annual basis. The Board will also periodically review the composition of the Board and make necessary changes to ensure that it comprises persons who have the skill and experience appropriate for the business activities and operations undertaken by the Company.

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional Director, the Board will select and appoints the most suitable candidate. Any such appointee would be required under the Constitution to retire at the next annual general meeting and is eligible for re-election by the shareholders at that meeting.

Remuneration policy

Remuneration levels for executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications. The Company's Constitution provides that the remuneration of Directors will not be more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration has been set at an amount not to exceed \$450,000 per annum.

Fees for non-executive directors are not linked to the performance of the Company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Relationship structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

Each of the non-executive Directors receives a fixed fee for their services as Directors. There is no direct link between remuneration paid to any of the Directors and corporate performance such as bonus payments for achievement of certain key performance indicators. There are no retirement benefits for non-executive Directors.

Executive remuneration

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. The remuneration of executive Directors is fixed by the Board and may be paid by way of fixed salary.

Remuneration consists of a fixed remuneration.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Remuneration of directors and senior management

The directors and the Company executives received the following amounts as compensation for their services as directors and executives of the Company during the financial year:

Year ended 30 June 2013

Name	Short-term employee benefits		Post-employment benefits	Share-based payment options	Share-based payment shares	Total	% consisting of options
	Cash salary and fees	Other services	Superannuation				
	\$	\$	\$	\$	\$	\$	\$
<i>Directors</i>							
Yunde Li	-	-	-	-	-	-	-
Naiming (James) Li	53,000	-	-	-	-	53,000	-
Mark Muzzin	53,000	-	-	-	-	53,000	-
<i>Executives</i>							
Leonard Math (i)	41,000	43,660	-	-	-	84,660	-
Chuanshui Yin (ii)	105,000	-	9,450	-	-	114,450	-
TOTAL	252,000	43,660	9,450	-	-	305,110	-

(i) These payments were made to GDA Corporate, a company of which Leonard Math is an employee. The fees include accounting and company secretarial fees provided to the company.

(ii) Effective 1 December 2012.

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Year ended 30 June 2012

Name	Short-term employee benefits		Post-employment benefits	Share-based payment – options	Share-based payment – shares	Total	% consisting of options
	Cash salary and fees	Other services	Super-annuation				
	\$	\$	\$				
Directors							
Yunde Li	-	-	-	-	-	-	-
Naiming (James) Li	48,000	-	-	-	-	48,000	-
Mark Muzzin	48,000	-	-	-	-	48,000	-
Caigen Wang (i)	65,664	-	7,935	-	-	73,599	-
Executives							
Leonard Math (ii)	36,000	38,450	-	-	-	74,450	-
TOTAL	197,664	38,450	7,935	-	-	244,049	-

(i) Appointed 18 December 2009, Resigned 9 December 2011

(ii) These payments were made to GDA Corporate, a company of which Leonard Math is an employee. The fees include accounting and company secretarial fees provided to the company.

Share-based payments granted as compensation in the current financial year

No share-based payments have been made in the current financial year.

Performance of Ishine International Resources Limited

The table below sets out summary information about the entity's earnings and movements in shareholder wealth for the 3 years to 30 June 2013. (The company was incorporated on 18 September 2009)

	30 June 2013	30 June 2012	30 June 2011	30 June 2010
	\$	\$	\$	\$
Revenue	-	-	18,333	18,658
Net loss before tax	(2,346,104)	(653,176)	(2,451,978)	(1,123,128)
Net loss after tax	(2,346,104)	(653,176)	(2,451,978)	(1,123,128)

	30 June 2013	30 June 2012	30 June 2011	30 June 2010
	\$	\$	\$	\$
Share price at beginning of year	\$0.20	\$0.14	\$0.27	\$0.20
Share price at end of year	\$0.22	\$0.20	\$0.14	\$0.27
Dividends	-	-	-	-
Basic and diluted earnings per share (cents per share)	(2.63)	(0.75)	(2.82)	(1.30)

* Share price at 18 December 2009 (date of listing)

Key Terms of Employment Contracts

Mr Chuanshui Yin was appointed as Chief Executive Officer of the Company effective 1st December 2012. His minimum remuneration package is \$180,000 per annum base salary plus statutory superannuation of 9% ('package'). In addition to the package, the Company agree to issue Mr Chuanshui Yin with 300,000 ordinary fully paid shares in the Company for every year of service for a complete period of 3 years and on the terms and conditions set out in the employment agreement. As at year ended 30 June 2013 Mr Yin has not satisfied the 3 year service condition and therefore no shares were issued during the year. Mr Yin has been engaged under an open term arrangement i.e. no fixed term. This agreement may be terminated at any time by either party giving 3 months' notice in writing to the other.

Signed in accordance with a resolution of the directors.



Mr Mark Muzzin
Non-executive Director
Perth, 27 September 2013

The Board of Directors
Ishine International Resources Limited
1187 Hay Street
WEST PERTH WA 6005

27 September 2013

Dear Directors

Ishine International Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ishine International Resources Limited.

As lead audit partner for the audit of the financial statements of Ishine International Resources Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff
Partner
Chartered Accountants

Corporate Governance Statement

Ishine's Directors are committed to the standards of corporate governance. This statement describes the Company's corporate governance framework. As a listed entity, the Company is required to disclose the extent to which it has followed the 'Corporate Governance Principles and Recommendations 2nd Edition' issued by the ASX Corporate Governance Council ('Governance Recommendations'). Details of the Company's compliance with the Governance Recommendations are set out in the relevant sections of this statement.

Board of Directors – Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

The purpose of the Board Charter is to set out the role, composition and responsibilities of the Board of Ishine within the corporate governance framework and to ensure:

- that the roles and responsibilities of the Board are clear and understood by all relevant stakeholders;
- the operation of the Board and the relationship between the Board and the management is clearly understood; and
- all Directors have a clear understanding of the manner in which the Board will conduct itself and the Company's expectations of them as Directors.

The Board is responsible for the overall corporate governance of the Company. The Board recognises the need for the highest standards of behaviour and accountability for managing the Company's business and affairs.

The Board's responsibilities encompass the following:

- establishing the Company's corporate level and business level goals and monitoring and implementing strategies to achieve these goals;
- setting the strategic direction and financial objectives of the Company and ensuring appropriate resources are available;
- monitoring the implementation of those policies and strategies and the achievement of those financial objectives;
- reviewing the performance of all Board members and overseeing succession plans for the senior executive team;
- ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- ensuring that effective audit, risk and controls are in place to protect the Company's assets;
- formulate risk management strategies and identify, design and implement policies;
- monitor the risk management process and strategies;
- to set specific limits of authority for the executive management to commit to new expenditure and enter into new contracts without prior Board approval;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- monitoring compliance with regulatory requirements (including continuous disclosure);
- review the Board succession plans;
- monitoring ASX and regulatory disclosure requirements;
- monitoring the integrity of reporting including ensuring the preparation of accurate financial reports and statements;
- ensuring effective and timely reporting to various stakeholders; and
- ensuring that the shareholders are informed of all major developments affecting the Company's state of affairs.

Composition of the Board

It is the policy of Ishine that the Board comprises members who combine a range of knowledge, skills and experience that are appropriate to its activities and objectives.

The Board currently comprised of 3 Directors, 2 of whom hold their positions in a non-executive capacity the board is in the process of establishing a diversity policy which will be implemented in the coming financial year.

The composition of the Board is subject to review in the following ways:

- The Constitution provides that at every annual general meeting, one third of the Directors are to retire from office. Each Director under the Constitution is eligible for re-election.
- The Board considers its composition on a regular basis to ensure that it has available an appropriate mix of skills and experience to ensure the interest of shareholders are served.

Independence

As stated, the Board has an Executive Chairman, and 2 other Non-Executive Directors. The Executive Chairman is a shareholder in the controlling Shareholder of the Company, Shandong Ishine Mining Industry Co. Ltd. which holds 63,151,291 Shares (69.51% of the Company as at 30 June 2013). The remaining 2 Non-Executive Directors provide Board independence.

The Board (and each individual Director) is entitled to seek independent professional advice at the Company's expense (subject to the reasonableness of the costs and Board consent) in the conduct of their duties for the Company.

Corporate Governance Statement (continued)

Board Committees

The Board considers that the Company is not currently of a size, or its affairs of such complexity, to justify the establishment of separate Board Committees. Accordingly, at present all matters that may be capable of delegation to Committees are dealt with by the full Board.

Remuneration and Nomination Procedures

The Board considers that the Company is not of a size to justify the formation of a remuneration or nomination Committee. The Board is able to address these aspects of the Company's activities and will adhere with the appropriate ethical standards and with the remunerations and nomination procedures.

The Board will review the remuneration policies and packages of all Directors and senior executive officers on at least an annual basis. The Board will also periodically review the composition of the Board and make necessary changes to ensure that it comprises persons who have the skill and experience appropriate for the business activities and operations undertaken by the Company.

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional Director, the Board will select and appoint the most suitable candidate. Any such appointee would be required under the Constitution to retire at the next annual general meeting and is eligible for re-election by the shareholders at that meeting.

Ethical Standards – Code of Conduct

The Board recognizes the need to observe the highest standards of corporate governance practice, business and ethical conduct by all Directors, employees, consultants and contractors. Accordingly the Board has adopted a formal code of conduct to be followed by all employees, officers and external parties engaged by the Company.

The key aspects of the code are:

1. To act with honesty, integrity and fairness;
2. To act in accordance with the law;
3. To use the Company resources and property appropriately.

Securities Trading Policy

The Company has a formal securities dealing policy for Directors contained in the corporate ethics and securities trading policy.

Under this policy Directors must not buy or sell securities in the week immediately before and following the lodgement of periodic reports required under the Corporations Act and the Listing Rules. At other times, Directors may only buy or sell securities following consultation with the Chairman. In all instances any person who possesses price sensitive information that is not available to the market is not permitted to buy or sell securities in accordance with the provisions of the Corporations Act 2001 and the Listing Rules. The Company on behalf of the Directors, must advise the ASX of any transactions conducted by them in the Company's Securities.

Continuous Disclosure Policy

The Company is committed to continuous disclosure of material information as a means of promoting transparency and investor confidence. The Company's practices are designed to ensure it is compliant with the ASX Listing Rules, including in particular those relating to continuous disclosure.

Communications to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs. Information will be communicated to Shareholders through the Company's annual report, annual general meeting, half-yearly results announcements and other ASX announcements.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

Conflict of Interest

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

Performance Evaluation of the Board and Its Members

The size of and the nature of the Company's activities make the establishment of a formal performance evaluation strategy unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of the management, Directors and the Board as a whole.

Company's Remuneration Policies

Remuneration levels for executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications.

Each of the non-executive Directors receives a fixed fee for their services as Directors. There is no direct link between remuneration paid to any of the Directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

Schemes for Retirement Benefits for Non-executive Directors

There are no retirement benefits for non-executive Directors.

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2013

	Notes	Company	
		2013 \$	2012 \$
Revenue	5	-	-
Other income	6(a)	23,065	771,540
(Loss)/Gain on fair value of derivative		-	(182,185)
Depreciation expense		(18,104)	(25,909)
Consultancy fees		(36,667)	(19,112)
Tenement and exploration expenses		(200,820)	(403,020)
Interest expenses		-	(32)
Accounting and audit fees		(76,260)	(70,348)
Occupancy expenses		(167,656)	(134,089)
Legal expenses		(1,869)	(11,743)
Impairment of exploration and evaluation expenditure		(613,053)	-
Impairment of financial assets		(581,000)	-
Administrative expenses		(178,814)	(215,494)
Employee benefit expenses		(442,866)	(307,932)
Other expenses	6(b)	(52,061)	(54,852)
LOSS BEFORE INCOME TAX		(2,346,104)	(653,176)
Income tax expense	8	-	-
LOSS FOR THE YEAR		(2,346,104)	(653,176)
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF ISHINE INTERNATIONAL RESOURCES LIMITED	15	(2,346,104)	(653,176)
OTHER COMPREHENSIVE INCOME NET OF TAX			
Items that may be reclassified to profit or loss			
Net fair value loss on available for sale financial assets	15	232,400	(307,100)
Other Comprehensive loss for the year		232,400	(307,100)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,113,704)	(960,276)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF ISHINE INTERNATIONAL RESOURCES LIMITED		(2,113,704)	(960,276)
Basic and diluted loss per share (cents per share)	16	(2.63)	(0.75)

Notes to the Financial Statements are included on pages 29 to 48

Statement of Financial Position

AT 30 JUNE 2013

	Notes	Company 2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,075,320	1,362,188
Trade and other receivables	9	23,767	38,730
TOTAL CURRENT ASSETS		1,099,088	1,400,918
NON-CURRENT ASSETS			
Other financial assets	10	174,300	522,900
Property, plant and equipment	11	72,886	90,855
Deferred exploration and evaluation expenditure	12	613,053	1,226,106
TOTAL NON-CURRENT ASSETS		860,239	1,839,861
TOTAL ASSETS		1,959,327	3,240,779
CURRENT LIABILITIES			
Trade and other payables	13	77,512	63,211
TOTAL CURRENT LIABILITIES		77,512	63,211
TOTAL LIABILITIES		77,512	63,211
NET ASSETS		1,881,815	3,177,568
EQUITY			
Contributed equity	14	7,621,235	6,839,952
Reserves	15(a)	834,966	565,898
Accumulated losses	15(c)	(6,574,386)	(4,228,282)
TOTAL EQUITY		1,881,815	3,177,568

Notes to the Financial Statements are included on pages 29 to 48

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2013	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Investment Revaluation Reserve \$	Total \$
Opening Balance	6,839,952	(4,228,282)	872,998	(307,100)	3,177,568
Loss for the year	-	(2,346,104)	-	-	(2,346,104)
Net loss arising on revaluation of available for sale financial assets	-	-	-	581,000	581,000
Cumulative loss reclassified to profit or loss on impairment of available for sale assets	-	-	-	(348,600)	(348,600)
Total comprehensive income for the year	-	(2,346,104)	-	232,400	(2,113,704)
Share issued during the year	781,284	-	-	-	781,284
Share based payments	-	-	36,667	-	36,667
AT 30 JUNE 2013	7,621,236	(6,574,386)	909,665	(74,700)	1,881,815

YEAR ENDED 30 JUNE 2012	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserve \$	Investment Revaluation Reserve \$	Total \$
Opening Balance	6,839,952	(3,575,106)	853,886	-	4,118,732
Loss for the year	-	(653,176)	-	-	(653,176)
Other comprehensive income (net of tax)	-	-	-	(307,100)	(307,100)
Total comprehensive income for the year	-	(653,176)	-	(307,100)	(960,276)
Share based payments	-	-	19,112	-	19,112
AT 30 JUNE 2012	6,839,952	(4,228,282)	872,998	(307,100)	3,177,568

Notes to the Financial Statements are included on pages 29 to 48

Statement of Cash Flows

YEAR ENDED 30 JUNE 2013

	Notes	Company	
		2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(855,571)	(652,350)
Interest received		15,162	9,171
Payments for exploration activities		(222,019)	(560,669)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	7	(1,062,428)	(1,203,848)
CASH FLOWS FROM INVESTING ACTIVITIES			
Farm in contribution from Joint Venture	6	-	300,000
Purchase of property, plant and equipment		(135)	(6,139)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(135)	293,861
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares and options		781,284	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		781,284	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(281,279)	(909,987)
Cash and cash equivalents at the beginning of the year		1,362,188	2,272,175
Effect of exchange rate changes on the balance of cash held in foreign currencies		(5,588)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	<u>1,075,320</u>	<u>1,362,188</u>

Notes to the Financial Statements are included on pages 29 to 48

Notes to the Financial Statements

1. GENERAL INFORMATION

Ishine International Resources Limited ('Ishine') is incorporated and operates in Australia. Ishine is a listed public company on the Australian Securities Exchange. The address of its registered office and principal place of business are disclosed on the inside cover of the financial report. This financial report for Ishine is for the financial year ended 30 June 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report was authorised for issue on or before 30 September 2013.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). For the purposes of preparing the financial statements, the company is a for-profit entity.

Basis of preparation

The financial report is a for profit general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Ishine International Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors' Report.

Going Concern

The financial report has been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the year ended 30 June 2013, the company recorded a net loss after tax of \$2,346,104 (2012: \$653,176) and had cash outflows from operating and investing activities of \$1,062,563 (2012: \$909,987). As at 30 June 2013, the company had cash and cash equivalents of \$1,075,320 (2012: \$1,362,188).

These conditions indicate a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

The directors have prepared cash flow forecasts which indicate that the company will need to raise additional working capital by August 2014 to enable the company to continue with its normal business activities and to provide the company with sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors are satisfied that they will achieve resolution of the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the company be unable to achieve the matters referred to above, there is material uncertainty whether the company will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded assets amounts, or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of AIFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

Application of New and Revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Notes to the Financial Statements (Cont'd)

Standards affecting presentation and disclosure

- Amendments to AASB 101 'Presentation of Financial Statements'

The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be Companyed into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The amendments (part of AASB 2012-5 'Further Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle') requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position), when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The related notes to the third statement of financial position are not required to be disclosed.

Standards and interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Company's assessment of these new standards and interpretations is set out below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'	1 January 2013	30 June 2014
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	30 June 2014

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

None at time of publication.

The potential effect of the revised standards/Interpretations on the company's financial statements has not yet being determined.

Notes to the Financial Statements (Cont'd)

(a) 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 executive management team.

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 products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- 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.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(c) Income tax

The charge of current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged or credited in the profit or loss component of statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses or tax credits can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(d) Impairment of non-financial assets

The Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets and the asset's value in use cannot be estimated to be close to its fair value less costs to sell. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the

Notes to the Financial Statements (Cont'd)

asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(e) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is recognised when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value, with changes in fair value recognised in other comprehensive income. Where the investment is disposed of, or determined to be impaired, the cumulative gain or loss previously accumulated in equity is reclassified to profit or loss.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Notes to the Financial Statements (Cont'd)

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(h) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the last trade price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment loss.

Plant and equipment

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	10 – 67%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements (Cont'd)

(j) Exploration and evaluation expenditure

An exploration and evaluation asset shall only be recognised in relation to an area of interest if the following conditions are satisfied:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; and
 - (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets arising out of acquisitions are capitalised as part of the deferred exploration and evaluation asset. Subsequent to acquisition, exploration expenditure is expensed as incurred in accordance with the company accounting policy. The capitalised costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the capitalised costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted for on prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(m) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(o) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Notes to the Financial Statements (Cont'd)

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(p) Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black & Scholes option pricing model. The expected life used in the model at the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

For cash-settled share based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(q) Interests in Joint Ventures

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. The Company's interests in joint venture entities are brought to account using the equity method of accounting in the financial statements.

(r) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(s) Investments in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Company's share of profit or loss of the associate.

When a Company entity transacts with an associate of the Company, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

(t) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements (Cont'd)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Judgments – Exploration and Evaluation Expenditure

The Company's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the profit or loss. The carrying amount of the deferred exploration and evaluation expenditure at 30 June 2013 is \$613,053 (2012: \$1,226,106) as set out in note 12.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts incorporate a number of key estimates.

Notes to the Financial Statements (Cont'd)

4. SEGMENT INFORMATION

Description of segments

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.

	Company	
	2013	2012
	\$	\$
5. REVENUE		
Operating Income	-	-
6. OTHER INCOME AND EXPENSES		
(a) Other income:		
Interest income	12,551	9,203
Gain arising on cessation of equity accounting (i)	-	462,337
Debt forgiven	16,102	-
Farm in contribution from IGME (ii)	-	300,000
Loss on foreign exchange	(5,588)	-
	23,065	771,540
(i) The amount relates to the gain arising from the cessation of equity accounting upon loss of significant influence over Anthena Resources Limited effective 1 July 2011, being the excess of the fair value and the equity method carrying amount at date of cessation.		
(ii) In September 2011, the Company entered into an agreement with the 8th Institute of Geology and Mineral Exploration ("IGME") for the farm-out of up to 51% interest in the Mt Watson Project. The Farm-Out agreement required IGME to pay Ishine \$300,000 within 3 months of the date of the agreement (which was received by Ishine in December 2011). In addition, the agreement also sets out certain milestone expenditures that trigger equity interests for IGME on meeting those milestones. These milestones give the IGME 30% interests on completion of \$300,000 exploration expenditure within the first 12 months and 51% interest in the project if IGME cash payments and exploration expenditure accumulate to \$1.7 million. Once IGME earns a 51% interest from Ishine, further investment into this project will be made by both Ishine and IGME on a pro-rata basis.		
(b) Other expenses includes the following specific expenses:		
Stock exchange and registry fees	(33,309)	(40,644)
Insurance expenses	(18,850)	(17,050)
Refunds	98	2,842
	(52,061)	(54,852)
7. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	986,324	1,231,942
Term deposit	88,996	130,246
	1,075,320	1,362,188
Reconciliation of loss for the year to net cash flows used in operating activities:		
Loss for the year	(2,346,104)	(653,176)
Non-cash expenses:		
Depreciation	18,104	25,909
(Gain)/Loss arising on financial assets	581,000	(280,152)

Notes to the Financial Statements (Cont'd)

	Company	
	2013	2012
	\$	\$
Tenement acquisition cost written off	613,053	-
Share based payment	36,667	19,112
Other non-operating income	-	(300,000)
Gain on forex	5,588	-
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in:		
Receivables	14,963	(8,120)
(Decrease)/Increase in:		
Payables	14,301	(7,421)
Net cash flows used in operating activities	<u>(1,062,428)</u>	<u>(1,203,848)</u>

8. INCOME TAX**(a) Income tax expense/(benefit)**

The income tax(benefit) for the year differs from the prima facie tax as follows:

Loss for year	(2,346,104)	(653,176)
Prima facie income tax (benefit) @ 30%	(703,831)	(195,953)
Non-deductible expenses	360,019	61,785
Non-assessable income	-	(141,701)
Current year deferred tax assets not brought to account	343,812	272,869
Total income tax expense / (benefit)	<u>-</u>	<u>-</u>

(b)Unrecognised deferred Tax Assets/ future income tax benefit

Deferred tax assets not brought to account the benefits of which will only be realised if the conditions for deductibility set out in Note 2(c) occur:

- Tax Losses	351,883	287,576
- Temporary differences	(8,071)	(14,707)
Net unrecognised deferred tax asset	<u>343,812</u>	<u>272,869</u>

9. TRADE AND OTHER RECEIVABLES

Trade receivables	342	3,178
Deposits paid	20	20
Prepaid expenses	11,678	22,408
GST recoverable	11,727	13,124
	<u>23,767</u>	<u>38,730</u>

Notes to the Financial Statements (Cont'd)

10. Other Financial Assets

Available for sale financial asset carried at fair value

	Company	
	2013	2012
	\$	\$
Opening balance 1 July	522,900	830,000
Impairment write-off	(348,600)	(307,100)
Closing Balance 30 June	<u>174,300</u>	<u>522,900</u>

11. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment – at cost	166,290	166,155
Accumulated depreciation	(93,403)	(75,300)
Total written down amount	<u>72,886</u>	<u>90,855</u>

Reconciliation

Opening written down value	90,855	110,625
Additions	135	6,139
Depreciation charge for the year	(18,104)	(25,909)
Closing written down value	<u>72,886</u>	<u>90,855</u>

12. DEFERRED EXPLORATION EXPENDITURE

Exploration and evaluation costs in respect of mining areas of interest

Opening net book amount (i)	1,226,106	1,226,106
JV acquisition cost written off (ii)	(613,053)	-
Closing net book amount	<u>613,053</u>	<u>1,226,106</u>

(i) The beginning balance represents consideration paid for the right to acquire a 70% interest via Farm-in Arrangements in the Boomarra and Mt Watson tenements being \$50,000 cash, 2,000,000 shares issued at a deemed price of \$0.20 per share and 5,000,000 options exercisable at \$0.20 each on or before 31 December 2015.

(ii) Impairment of acquisition cost arising from the termination to acquire the right to earn a 70% interest in Boomarra and maintain its 49% interest.

13. TRADE AND OTHER PAYABLES

Trade and other payables	42,801	35,562
Accruals	34,711	27,649
	<u>77,512</u>	<u>63,211</u>

Notes to the Financial Statements (Cont'd)

14. ISSUED CAPITAL

(a) Share capital	2013 \$	2012 \$
(2013: 90,851,291) ordinary shares fully paid (2012: 87,300,000)	7,621,235	6,839,952
Less: Transaction costs on share issue	-	-
	<u>7,621,235</u>	<u>6,839,952</u>

(b) Movement in ordinary shares on issue

	\$	Number
At 1 July 2012		
Issue of 3,551,291 shares at 0.22 per share	6,839,951	87,300,000
At 30 June 2013	<u>781,284</u>	<u>3,551,291</u>
	<u>7,621,235</u>	<u>90,851,291</u>

(c) Share Options

There were no share options issued during the financial year ended 30 June 2013. Details of share options issued in 2012 as well as unissued shares or interests under option as at 30 June 2013 are disclosed in Note 22 to the financial statements.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

15. RESERVES AND ACCUMULATED LOSSES

(a) Reserves

Share-based payments reserve

Balance at the beginning of the year	872,998	853,886
Share based payment	36,667	19,112
Balance at the end of the year	<u>909,665</u>	<u>872,998</u>

Investment revaluation reserve

Balance at the beginning of the year	(307,100)	-
Change in investment revaluation reserve	232,400	(307,100)
Balance at the end of the year	<u>(74,700)</u>	<u>(307,100)</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 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 the comprehensive income.

Notes to the Financial Statements (Cont'd)

	Company	
	2013	2013
	\$	\$
(c) Accumulated losses		
Balance at the beginning of the year	(4,228,282)	(3,575,106)
Net loss for the year	(2,346,104)	(653,176)
Balance at the end of the year	<u>(6,574,386)</u>	<u>(4,228,282)</u>

16. LOSS PER SHARE**(a) Reconciliation of earnings used in calculating loss per share**

Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss per share

(2,346,104)	(653,176)
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Number of shares 2013	Number of shares 2012
-----------------------------	-----------------------------

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

<u>89,090,240</u>	<u>87,300,000</u>
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(c) Information on the classification of options

As the Company has made a loss for the year ended 30 June 2013, all options on issue (refer note 22) are considered antidilutive and have not been included in the calculation of diluted loss per share. These options could potentially dilute basic loss per share in the future.

Notes to the Financial Statements (Cont'd)

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

18. COMMITMENTS

(a) Exploration commitments

The Company has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Company. Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted or joint venture agreements amended.

The below expenditure commitments include funding that will be contributed by the 8th Institute of Geology and Mineral Exploration ("IGME") through their funding to the exploration activities as envisaged under the Farm-out agreement as outlined in note 6.

The existing tenement commitments are as follows:

	Company	
	2013 \$	2012 \$
0 to 1 year	1,288,027	1,822,888
1 to 3 years	1,245,458	800,000
3 to 5 years	80,592	1,022,142
Greater than 5 years	-	-
	2,614,077	3,645,030

(b) Lease agreement

The Company entered in to a 3 year operating lease agreement in relation to offices premises on 15 March 2010. The commitments in relation to this, inclusive of floor space, parking bays and variable outgoings are as follows:

0 to 1 year	112,815	112,815
1 to 3 years	28,204	141,019
	141,019	253,834

(c) Company secretarial services

The Company entered into an agreement with GDA Corporate for the provision of corporate advisory on 17 December 2009. According to the engagement letter, a 90-day notice will have to be provided if either party terminates the service agreement. The commitments in relation to the 90-day notice is as follows:

Company secretarial fees for 90 days	10,500	9,000
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19. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The Company's principal financial instruments comprise available for sale financial assets, receivables, payables, cash and short-term deposits. The Company manages its exposure to key financial risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

The main risks arising from the Company's financial instruments are interest risk, credit risk and liquidity risk. The Company does not speculate in the trading of derivative instruments. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are

undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Notes to the Financial Statements (Cont'd)

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

(b) Categories of financial instruments

The Company holds the following financial instruments:

	Company	
	2013	2012
	\$	\$
Financial assets		
Cash and cash equivalents	1,075,320	1,362,188
Trade and other receivables	23,767	38,730
Financial asset available for sale	174,300	522,900
	1,273,387	1,923,818
Financial liabilities		
At amortised cost:		
Trade and other payables	77,512	63,211
	77,512	63,211

(c) Interest rate risk management

The Company's exposure to risks of changes in market interest rates relates primarily to the Company cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternatives financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowing its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date.

If interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Company would have been affected as follows:

	Company	
	2013	2012
	\$	\$
Judgements of reasonably possible:		
<i>Post tax profit – higher / (lower)</i>		
+0.5%	1,910	1,272
-0.5%	(1,910)	(1,272)
<i>Equity – higher / (lower)</i>		
+0.5%	1,910	1,272
-0.5%	(1,910)	(1,272)

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide future returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Company's capital is performed by the Board.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Notes to the Financial Statements (Cont'd)

(e) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 30 June 2013, the Company has no significant exposure to liquidity risk as there is effectively no debt.

Maturities of financial assets and liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

The tables below have been drawn up based on the undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Company can be required to pay financial liabilities. Amounts for financial assets include interest earned on those assets except where it is anticipated the cash flow will occur in a different period.

	2013				2012			
	≤6 months	6 – 12 months	1-5 Years	Total	≤6 months	6 – 12 months	1-5 Years	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial assets</i>								
Variable interest rate instruments	986,324	-	-	986,324	1,231,942	-	-	1,231,942
Interest bearing	-	-	88,996	88,996	-	84,214	46,032	130,246
Non interest bearing	-	-	-	-	-	-	-	-
Total Financial Assets	986,324	-	-	1,075,320	1,231,942	84,214	46,032	1,362,188
<i>Financial liabilities</i>								
Non interest bearing	77,512	-	-	77,512	63,211	-	-	63,211
Total Financial Liabilities	77,512	-	-	77,512	63,211	-	-	63,211

(f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash deposits with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The Company and the Company considers the credit standing of counterparties when making deposits to manage the credit risk.

Considering the nature of the business at current, the Company believes that the credit risk is not material to the Company's operations.

(g) Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

(i) The Company's available for sale financial asset (AFS) (carried at Fair value) are measured by "Level 1" fair value measurements – meaning that they are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) The Company's other financial assets (carried at FVTPL) are measured by 'Level 2' fair value measurements – meaning that they are derived from inputs other than quoted prices that is observable for the asset.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

(i) Directors

The following persons were directors of Ishine International Resources Limited during the financial year:

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

Notes to the Financial Statements (Cont'd)

(ii) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Chuanshui Yin	Chief Executive Officer
Leonard Math	Company Secretary

(b) Key management personnel compensation

	Company	
	2013	2012
	\$	\$
Short-term benefits	252,000	236,114
Post employment benefits	53,110	7,935
Other Long-Term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	305,110	244,049

(c) Equity interests in related parties

Equity interests in associates

No equity interest in related parties in the current financial year.

(d) Transactions with key management personnel

Key management personnel compensation

Details of key management personnel compensation are provided in the Remuneration Report of the Directors' Report.

Loans to key management personnel

There were no loans to key management personnel during the year.

Notes to the Financial Statements (Cont'd)

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel equity holdings

(i) Fully paid ordinary shares

	Balance at start of period	Granted as compensation	Received on exercise of options	Net other change	Balance at end of period
	No	No	No	No	No
2013					
<i>Directors</i>					
Yunde Li	10,000,000	-	-	-	10,000,000
Naiming Li	-	-	-	-	-
Mark Muzzin	-	-	-	-	-
<i>Executives</i>					
Chuanshui Yin (ii)	120,000	-	-	-	120,000
Leonard Math (i)	100,000	-	-	-	100,000

(i) Shares were issued to GDA Corporate of which Leonard Math is an employee.

(ii) Chief Executive officer appointed on 1 December 2012.

	Balance at start of period	Granted as compensation	Received on exercise of options	Net other change	Balance at end of period
	No	No	No	No	No
2012					
<i>Directors</i>					
Yunde Li	10,000,000	-	-	-	10,000,000
Caigen Wang (i)	500,000	-	-	(500,000)	-
Naiming Li	-	-	-	-	-
Mark Muzzin	-	-	-	-	-
<i>Executives</i>					
Leonard Math (ii)	100,000	-	-	-	100,000

(i) Appointed 18 December 2009, Resigned 9 December 2011.

(ii) Shares were issued to GDA Corporate of which Leonard Math is an employee.

(ii) Options

No options were issued to directors and key management personnel during the financial year.

Notes to the Financial Statements (Cont'd)

(b) Transactions with other related parties

Shandong Ishine Mining Industry Co. Ltd. (a Company in which Mr Yunde Li is a shareholder) was issued 3,551,291 fully paid ordinary shares for the year ended 30 June 2013 from Ishine.

Naiming (James) Li is the director and beneficiary of Pacway Investments Pty Ltd which received director's fees of \$53,000 for the year ended 30 June 2013 from Ishine.

Mark Muzzin is a partner of the partnership M & C Muzzin which received director's fees of \$53,000 for the year ended 30 June 2013 from Ishine.

Leonard Math is an employee of GDA Corporate which received company secretarial and accounting fees of \$84,766 for the year ended 30 June 2013 from Ishine.

22. SHARE BASED PAYMENT PLANS

There were no share based payments made during the financial year ended 30 June 2013.

At the end of the year, the following options over unissued ordinary shares were outstanding:

Issuing entity	Number of shares under option	Grant Date	Class of shares	Exercise price of option	Expiry date of options	Grant date Fair Value
Ishine International Resources Limited	5,000,000	19 December 2009	Ordinary	20 cents	31 December 2015	\$0.1552

A summary of the movements of all company options issues is as follows:

	2013		2012	
	Number of options	Weighted Average exercise price \$	Number of options	Weighted Average exercise price \$
Balance at beginning of year	6,275,000	0.2032	6,275,000	0.2032
Granted	-	-	-	-
Lapsed	(1,275,000)	0.2157	-	-
Exercised	-	-	-	-
Balance at end of year	-	-	-	-
Exercisable at end of year	<u>5,000,000</u>	0.2000	<u>6,275,000</u>	0.2032

The share options outstanding at the end of the year had a weighted average exercise price of \$0.2000 (2012: \$0.2032), and a weighted average remaining contractual life of 914 days (2012: 1,071 days).

23. REMUNERATION OF AUDITORS

	2013	2012
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:		
Audit services		
Audit or review of financial reports		
- Deloitte Touche Tohmatsu	<u>32,600</u>	<u>31,898</u>

Notes to the Financial Statements (Cont'd)

24. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at 30 June 2013.

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no other matters or circumstance has arisen since 30 June 2013, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

The directors declare that:

- (a) 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;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company;
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Mr Mark Muzzin
Non-executive Director
27 September 2013

Independent Auditor's Report to the Members of Ishine International Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Ishine International Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 25 to 49.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, 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 Ishine International Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Ishine International Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements, which indicates that the company incurred a loss of \$2,346,104 and had cash outflows from operating and investing activities of \$1,062,563 for the year ended 30 June 2013. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 21 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Ishine International Resources Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff

Partner

Chartered Accountants

Perth, 27 September 2013

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 September 2013.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

		Ordinary shares Number of holders
1	- 1,000	2
1,001	- 5,000	4
5,001	- 10,000	130
10,001	- 100,000	102
100,001	and over	29
		267

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares %
1	SHANDONG ISHINE MINING	63,151,291	69.51%
2	MR LI YUNDE	10,000,000	11.01%
3	AUSRICH RESOURCES PTY LTD	3,210,000	3.53%
4	MR LI HOU	1,708,000	1.88%
5	MR JIAN HAN	730,700	0.80%
6	SINOGREEN RESOURCES PTY LTD	650,000	0.72%
7	MR JIAN HAN	642,887	0.71%
8	MR GUIYUN SUN	610,000	0.67%
9	MRS HENGWEN TAN	519,484	0.57%
10	SINOGREEN RESOURCES PTY LTD	365,000	0.40%
11	MS JIAYI ZHENG	300,000	0.33%
12	MR GUIJUN ZHAO	250,000	0.28%
13	MR NAIYAN HE	200,000	0.22%
14	MR HUANJIE ZHANG	200,000	0.22%
15	MR HENGBO XIN	200,000	0.22%
16	MR GUANGMING ZHANG	200,000	0.22%
17	MR HUA WANG	200,000	0.22%
18	MR YONGJUN CAI	200,000	0.22%
19	MR FENG WANG	200,000	0.22%
20	MR MINGHAO XUE	200,000	0.22%
		83,737,362	92.17%

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

ASX Additional Information continued

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares
SHANDONG ISHINE MINING INDUSTRY CO LTD	63,151,291