



**AND CONTROLLED ENTITIES**

**ABN 24 123 511 017**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
30 JUNE 2014**

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## Corporate Information

### Directors

Mr Stephen Anastos –Chairman  
Mr Davide Bosio – Non-Executive Director  
Ms Shannon Robinson – Non-Executive Director

### Company Secretary

Ms Shannon Robinson

### Registered Office

Level 1, Suite 5, The Business Centre  
55 Salvado Road Subiaco WA 6008

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands WA 6009

### Website

[www.whitestarresources.com.au](http://www.whitestarresources.com.au)

### Auditors

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

### Solicitors

Clayton Utz  
250 St Georges Tce  
Perth WA 6000

### Stock Exchange

Australian Securities Exchange  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

*ASX Code: WSR*

## **Directors' Report**

Your directors present their report on the consolidated entity of Whitestar Resources Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2014.

### **Directors**

The persons who were directors of Whitestar Resources Limited during the half -year and up to the date of this report are:

Mr Stephen Anastos (Chairman)

Mr Davide Bosio (Non-Executive Director)

Ms Shannon Robinson (Non-Executive Director)

### **Review of Operations for the Half Year ended 30 June 2014**

During the half year the Company continued to evaluate and assess its strategic exploration assets in Chile. The Company advanced discussions with several parties regarding opportunities in relation to the Chilean exploration projects to create value for shareholders including potential joint ventures or to farm-out its interests. As part of a strategic review of the Chilean Projects in Q2 2014, the Company decided that further desktop studies and field work was required to improve the value of the properties. In addition during Q2 2014, a further 4 licenses were acquired covering approximately 1,200 hectares. These licenses are located near the Amigo Project and enhance the Company's strategic exploration footprint to over 12,670 hectares in Chile. During the period, the Company also relinquished its exploration tenement in Western Australia.

In Q2 2014, the Company entered into an indicative agreement for an option to acquire Spookfish Pty Ltd, a geospatial imagery company, subject to due diligence and finalising formal agreements as announced to the ASX on 4 June 2014. The experienced team at Spookfish have developed technology that has the potential to deliver high resolution linear and 3-D image solutions.

The Company also completed a placement to sophisticated investors during the period raising \$1.35 million by way of issue of 108,000,002 fully paid ordinary shares at an issue price of \$0.0125 as announced to the ASX on 23 June 2014.

### **Subsequent Events**

Subsequent to the half year period, the Company entered into formal binding agreements for an option to acquire Spookfish and Geospatial Investments following payment of an option fee of \$250,000. The option is available to be exercised by the Company within 9 months or on completion of the enhancement and testing of the first phase technology demonstrator. Full details of the terms of the option are set out in the announcement made to the ASX on 17 July 2014. The Company also exercised its right to acquire a 12.5% equity interest in Spookfish for a cash payment of \$1,000,000 as announced to the ASX on 1 August 2014. The Company will continue to undertake further technical and transactional due diligence during the Option Period.

## **Auditor's Independence Declaration**

The Auditor's Independence Declaration included within these financial statements forms part of the Director's Report for the half-year ended 30 June 2014.

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



Steve Anastos  
Chairman

Perth, Western Australia, 12 August 2014

## Auditor's Independence Declaration



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8 St Georges Terrace Perth WA 6000  
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### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Whitestar Resources Limited for the half-year ended 30 June 2014, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 12 August 2014

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2014

	Consolidated	
	Half Year 30 June 2014	Half Year 30 June 2013
	\$	\$
<b>REVENUES</b>		
Interest revenue	58,243	55,614
Profit on sale of assets	15,000	-
	<u>73,243</u>	<u>55,614</u>
<b>EXPENSES</b>		
General and administrative expenses	(7,008)	(98,797)
Compliance and regulatory expenses	(173,055)	(167,239)
Consultancy costs	(64,486)	(44,980)
Occupancy expenses	-	(48,849)
Director fees	(62,309)	(195,064)
Employee salaries	-	(366,532)
Investor relations	(731)	(15,375)
Travel expenses	(5,175)	(81,263)
Exploration expenditure	(79,805)	(93,567)
Other expenses	(2,189)	(20,321)
Depreciation	(4,431)	(22,643)
Provision for indirect taxes receivable	-	(256,506)
Option based payments	-	(35,739)
Loss on disposal of assets	-	(62,238)
Loss on foreign exchange	-	(25)
<b>Loss before income taxes</b>	<b>(325,946)</b>	<b>(1,453,524)</b>
Income tax benefit	-	-
<b>Loss for the period</b>	<b>(325,946)</b>	<b>(1,453,524)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit and loss</b>		
Exchange differences on translation of foreign operations	118	(3,858)
<b>Total comprehensive loss for the period</b>	<b>(325,828)</b>	<b>(1,457,382)</b>
Loss for the half-year attributable to :		
Owners of the parent	(324,779)	(1,444,731)
Non-controlling interest	(1,167)	(8,793)
	<u>(325,946)</u>	<u>(1,453,524)</u>
Total comprehensive loss for the period attributable to:		
Owners of the parent	(330,049)	(1,448,589)
Non-controlling interest	4,221	(8,793)
	<u>(325,828)</u>	<u>(1,457,382)</u>
Basic and diluted loss per share(cents per share)	(0.13)	(0.6)

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

## Consolidated Statement of Financial Position

As at 30 June 2014

	Consolidated	
	30 June 2014	31 December 2013
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4,148,507	3,075,980
Trade and other receivables	28,666	44,537
Financial assets - held for trading	10,540	10,540
<b>Total Current Assets</b>	<b>4,187,713</b>	<b>3,131,057</b>
<b>Non-Current Assets</b>		
Plant and equipment	9,281	13,712
<b>Total Non-current Assets</b>	<b>9,281</b>	<b>13,712</b>
<b>TOTAL ASSETS</b>	<b>4,196,994</b>	<b>3,144,769</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	206,669	69,932
Provisions	-	33,765
<b>Total Current Liabilities</b>	<b>206,669</b>	<b>103,697</b>
<b>TOTAL LIABILITIES</b>	<b>206,669</b>	<b>103,697</b>
<b>NET ASSETS</b>	<b>3,990,325</b>	<b>3,041,072</b>
<b>EQUITY</b>		
Issued capital	4 19,336,039	18,060,958
Reserves	1,586,286	1,591,556
Accumulated losses	(16,879,986)	(16,555,207)
Parent entity interest	4,042,339	3,097,307
Non-controlling interest	(52,014)	(56,235)
<b>TOTAL EQUITY</b>	<b>3,990,325</b>	<b>3,041,072</b>

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



## Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2014

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Reserve	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2013</b>	<b>18,060,958</b>	<b>(14,932,199)</b>	<b>1,639,805</b>	<b>(73,921)</b>	<b>(48,467)</b>	<b>4,646,176</b>
<b>Total comprehensive loss</b>						
Loss for the half-year	-	(1,444,731)	-	-	(8,793)	(1,453,524)
Other comprehensive income	-	-	-	(3,858)	-	(3,858)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(1,444,731)</b>	<b>-</b>	<b>(3,858)</b>	<b>(8,793)</b>	<b>(1,457,382)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Option based expense	-	-	35,739	-	-	35,739
<b>Balance at 30 June 2013</b>	<b>18,060,958</b>	<b>(16,376,930)</b>	<b>1,675,544</b>	<b>(77,779)</b>	<b>(57,260)</b>	<b>3,224,533</b>
<b>Balance at 1 January 2014</b>	<b>18,060,958</b>	<b>(16,555,207)</b>	<b>1,675,544</b>	<b>(83,988)</b>	<b>(56,235)</b>	<b>3,041,072</b>
<b>Total comprehensive loss</b>						
Loss for the half-year	-	(324,779)	-	-	(1,167)	(325,946)
Other comprehensive income	-	-	-	(5,270)	5,388	118
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(324,779)</b>	<b>-</b>	<b>(5,270)</b>	<b>4,221</b>	<b>(325,828)</b>
<b>Transactions with owners, recorded directly in equity</b>						
Shares issued during the period (net)	1,275,081	-	-	-	-	1,275,081
<b>Balance at 30 June 2014</b>	<b>19,336,039</b>	<b>(16,879,986)</b>	<b>1,675,544</b>	<b>(89,258)</b>	<b>(52,014)</b>	<b>3,990,325</b>

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

## Consolidated Statement of Cash Flows

For the half-year ended 30 June 2014

	Consolidated Half Year 30 June 2014 \$	Half Year 30 June 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	83,243	55,788
Payments to suppliers and employees	(278,420)	(1,086,045)
Payments for exploration, evaluation and development	(79,805)	(144,494)
<b>Net cash used in operating activities</b>	<b>(274,982)</b>	<b>(1,174,751)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale of plant and equipment	15,000	74,012
<b>Net cash from investing activities</b>	<b>15,000</b>	<b>74,012</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares (net)	1,332,391	-
<b>Net cash provided by financing activities</b>	<b>1,332,391</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>1,072,409</b>	<b>(1,100,739)</b>
Cash and cash equivalents at the beginning of the half-year	3,075,980	4,447,913
Exchange rate adjustments	118	25
<b>Cash and cash equivalents at end of half-year</b>	<b>4,148,507</b>	<b>3,347,199</b>

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

## **Notes to the Financial Statements**

### **For the half-year ended 30 June 2014**

#### **Note 1 – Reporting Entity**

Whitestar Resources Limited is a company domiciled in Australia. These interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the exploration for and development of copper resources.

#### **Note 2 – Basis of Preparation**

##### **Statement of Compliance**

These interim financial statements are general purpose financial statements prepared in accordance with requirements of Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These interim financial statements do not include full disclosures of the type normally included in an annual report. It is recommended that these interim financial statements be read in conjunction with the annual financial report for the year ended 31 December 2013 and any public announcements made by Whitestar Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

These interim financial statements were authorised for issue on 12 August 2014.

##### **New and Revised Accounting Standards**

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

## Notes to the Financial Statements

For the half-year ended 30 June 2014

### Note 3 – Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the period the consolidated entity operated in two geographical segments being Australia and Chile, and two business segments (for primary reporting) being mineral exploration and corporate.

#### Segment Information

	Exploration \$	Corporate \$	Total Operations \$
Period Ended 30 June 2014			
<b>Revenue</b>			
Interest revenue	-	58,243	58,243
Other income	-	15,000	15,000
<b>Total segment revenue</b>	<b>-</b>	<b>73,243</b>	<b>73,243</b>
<b>Segment Result</b>	<b>(202,070)</b>	<b>(123,876)</b>	<b>(325,946)</b>
<b>Segment Assets</b>	<b>26,342</b>	<b>4,170,322</b>	<b>4,196,994</b>
<b>Segment Liabilities</b>	<b>36,153</b>	<b>170,516</b>	<b>206,669</b>
Included within segment result; Exploration expense	(79,805)	-	(79,805)

#### Segment Information

	Exploration \$	Corporate \$	Total Operations \$
Period Ended 30 June 2013			
<b>Revenue</b>			
Interest revenue	-	55,614	55,614
<b>Total segment revenue</b>	<b>-</b>	<b>55,614</b>	<b>55,614</b>
<b>Segment Result</b>	<b>(879,234)</b>	<b>(574,290)</b>	<b>(1,453,524)</b>
<b>Segment Assets</b>	<b>83,550</b>	<b>3,365,680</b>	<b>3,449,230</b>
<b>Segment Liabilities</b>	<b>56,495</b>	<b>168,202</b>	<b>224,697</b>
Included within segment result; Exploration expense	(93,567)	-	(93,567)

## Notes to the Financial Statements

For the half-year ended 30 June 2014

### NOTE 4: ISSUED CAPITAL

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Issued and paid up capital</b>		
Issued and fully paid	<b>19,336,039</b>	18,060,958

	<b>31 December 2013</b>	
	<b>Number of</b>	
	<b>shares</b>	<b>\$</b>
<b>Movements in issued capital</b>		
Opening balance	250,085,003	18,060,958
Shares issued during the half-year	108,000,002	1,350,000
Transaction costs on share issue	-	(74,919)
Closing balance	<b>358,085,005</b>	<b>19,336,039</b>

### Note 5 – Dividends

No dividend has been declared or paid during the half-year ended 30 June 2014 (2013: Nil).

### Note 6 – Options

During the half-year ended 30 June 2014 a total of 1,500,000 options were forfeited as a result of employee resignation or termination and a further 22,500,000 options exercisable at \$0.20 each expired on 30 April 2014.

### Note 7 – Commitments and Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

### Note 8 – Events subsequent to Reporting Date

Subsequent to the half year period, the Company entered into formal binding agreements for an option to acquire Spookfish and Geospatial Investments following payment of an option fee of \$250,000. The option is available to be exercised by the Company within 9 months or on completion of the enhancement and testing of the first phase technology demonstrator. Full details of the terms of the option are set out in the announcement made to the ASX on 17 July 2014. The Company also exercised its right to acquire a 12.5% equity interest in Spookfish for a cash payment of \$1,000,000 as announced to the ASX on 1 August 2014. The Company will continue to undertake further technical and transactional due diligence during the Option Period.

## Directors' Declaration

In the opinion of the directors of Whitestar Resources Limited ('the company'):

1. The financial statements and notes thereto of the Group, as set out within this financial report, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Chairman  
Steve Anastos

Dated this 12 August 2014

## Auditor's Independent Review Report



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### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WHITESTAR RESOURCES LIMITED

We have reviewed the accompanying half-year financial report of Whitestar Resources Limited which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Whitestar Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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## Auditor's Independent Review Report (Cont)

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### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Whitestar Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

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

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG  
Partner

Perth, WA  
Dated: 12 August 2014