



CARBINE RESOURCES
LIMITED

ABN 81 122 976 818

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2013

CORPORATE DIRECTORY

Directors	Mr Tom Bahen Mr Evan Cranston Mr Grant Mooney	(Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
Company Secretary	Mr Grant Mooney	
Principal & Registered Office	Suite 23, 513 Hay Street Subiaco, WA 6008 Telephone: Facsimile: Email:	(08) 6142 0986 (08) 9388 8824 admin@carbineresources.com.au
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: Facsimile:	(08) 9315 2333 (08) 9315 2233
Auditor	Stantons International 2/1 Walker Avenue West Perth WA 6005	
Legal Advisor	Bellanhouse Legal Suite 1, 6 Richardson Street West Perth WA 6005 Telephone:	(08) 9226 2809
ASX Code	CRB	

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Carbine Resources Limited and the entity it controlled ("the Group" or "Carbine") at the end of, or during, the half-year ended 30 June 2013.

DIRECTORS

The name of Directors who held office during or since the end of the half-year and until the date of this report period is set out below. Directors were in office for the entire period unless otherwise stated.

Mr Tom Bahen	Non-Executive Director	(Appointed 20 May 2013)
Mr Evan Cranston	Non-Executive Director	
Dr Paul Kitto	Non-Executive Director	(Resigned 31 January 2013)
Mr Grant Mooney	Non-Executive Director	
Mr Peter Sheehan	Managing Director	(Resigned 20 May 2013)

REVIEW OF OPERATIONS

The loss for the half-year after income tax was \$1,005,312 (30 June 2012: \$2,412,637 loss).

Exploration Activities

Carbine's Ouahigouya Gold Project in Burkina Faso is located in an outlier of the Hounde Greenstone Belt in northwest Burkina Faso (West Africa) and consists of a contiguous land holding of 1,264 km² comprising five granted Exploration Permits (two in joint venture with Ampella Mining Ltd) and two permit applications. The Permits are located on a major northeast trending crustal scale shear zone, the Ouahigouya Deformation Corridor. Numerous gold occurrences are located along this deformation corridor with a large number of both major and minor artisanal fields either historically or currently being mined.

Exploration on the project to date has not delivered results of sufficient magnitude to support continued exploration at historic levels. This, combined with current market sentiments towards gold and gold exploration in West Africa, has led the Board to make the decision that it is not prudent to utilise expensive exploration methods such as drilling at this time. A minimal exploration budget has been approved for 2013 and the Board will monitor market conditions going forward.

SUBSEQUENT EVENTS

Subsequent to the reporting period, 6,850,000 unlisted options expired without being exercised as follows:

- 2,000,000 unlisted options exercisable at \$0.30 expired on 24 August 2013
- 2,000,000 unlisted options exercisable at \$0.40 expired on 24 August 2013
- 1,000,000 unlisted options exercisable at \$0.30 expired on 27 August 2013
- 1,000,000 unlisted options exercisable at \$0.40 expired on 27 August 2013
- 850,000 unlisted options exercisable at \$0.30 expired on 2 September 2013

There were no other events subsequent to the end of the half year ended 30 June 2013 that would have a material effect on these financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this half-year financial statement.

Dated at Perth this 9th day of September 2013.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'E. Cranston', with a long horizontal flourish extending to the right.

Evan Cranston
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	Notes	CONSOLIDATED HALF-YEAR	
		June 2013 \$	June 2012 \$
Revenue from continuing operations		85,393	161,870
Other Income		12,038	50,000
Exploration & evaluation costs	2	(327,604)	(1,897,710)
Loss on disposal of financial assets		(240,800)	-
Depreciation		(40,401)	(67,341)
Share based payment expenses		(16,382)	(60,157)
Employee, director and consultant expenses		(257,859)	(201,092)
General and administration expenses		(151,935)	(176,033)
Foreign exchange loss		-	(44,811)
Impairment of receivable	3	(67,762)	(177,363)
Loss before income tax expense		(1,005,312)	(2,412,637)
Income Tax Expense		-	-
Loss after income tax from continuing operations attributable to members of Carbine Resources Limited		(1,005,312)	(2,412,637)
Loss attributable to members of Carbine Resources Limited		(1,005,312)	(2,412,637)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		133,748	(17,045)
Total other comprehensive income/(loss)		133,748	(17,045)
Total comprehensive loss attributable to members of Carbine Resources Limited		(871,564)	(2,429,682)
Loss per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.72)	(1.74)
Diluted loss per share		(0.72)	(1.74)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

CARBINE RESOURCES LIMITED
HALF-YEAR FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

		CONSOLIDATED	
	Notes	30 June 2013	31 December 2012
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		5,533,067	4,920,642
Trade and other receivables	3	10,089	30,868
Financial assets		-	1,260,000
Other current assets		7,129	26,240
TOTAL CURRENT ASSETS		5,550,285	6,237,750
NON-CURRENT ASSETS			
Financial assets		50,000	50,000
Plant and equipment	4	79,887	214,594
Exploration and evaluation expenditure	2	-	-
TOTAL NON-CURRENT ASSETS		129,887	264,594
TOTAL ASSETS		5,680,172	6,502,344
CURRENT LIABILITIES			
Trade and other payables		79,353	35,637
Provisions		-	10,706
TOTAL CURRENT LIABILITIES		79,353	46,343
TOTAL LIABILITIES		79,353	46,343
NET ASSETS		5,600,819	6,456,001
EQUITY			
Issued Capital	5	22,636,442	22,636,442
Reserves		2,658,957	2,508,827
Accumulated losses		(19,694,580)	(18,689,268)
TOTAL EQUITY		5,600,819	6,456,001

This Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	CONSOLIDATED				
	Contributed	Accumulated	Share Based	Foreign Currency	Total
	Equity	Losses	Payments Reserve	Translation Reserve	Equity
	\$	\$	\$	\$	\$
Balance at 1 January 2013	22,636,442	(18,689,268)	2,341,346	167,481	6,456,001
Total comprehensive income/(loss) for the half year	-	(1,005,312)	-	-	(1,005,312)
Exchange difference on translation of foreign operations	-	-	-	133,748	133,748
Total comprehensive income/(loss) for the year	-	(1,005,312)	-	133,748	(871,564)
Transactions with owners in their capacity as owners:					
Cancelled options	-	-	-	-	-
Share based payments	-	-	16,382	-	16,382
	-	-	16,382	-	16,382
Balance at 30 June 2013	22,636,442	(19,694,580)	2,357,728	301,229	5,600,819

	CONSOLIDATED				
	Contributed	Accumulated	Share Based	Foreign Currency	Total
	Equity	Losses	Payments Reserve	Translation Reserve	Equity
	\$	\$	\$	\$	\$
Balance at 1 January 2012	22,636,442	(18,193,298)	2,277,680	166,817	6,887,641
Total comprehensive income/(loss) for the half year	-	(2,412,637)	-	-	(2,412,637)
Exchange difference on translation of foreign operations	-	-	-	(17,045)	(17,045)
Total comprehensive income/(loss) for the year	-	(2,412,637)	-	(17,045)	(2,429,682)
Transactions with owners in their capacity as owners:					
Cancelled options	-	-	(281,736)	-	(281,736)
Share based payments	-	-	341,893	-	341,893
	-	-	60,157	-	60,157
Balance at 30 June 2012	22,636,442	(20,605,935)	2,337,837	149,772	4,518,116

This Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	CONSOLIDATED HALF-YEAR	
	30 June 2013	30 June 2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(346,616)	(459,168)
Exploration expenditure, prospects, management fees	(263,437)	(2,769,338)
Interest received	85,393	161,870
Net cash (outflow) from operating activities	(524,660)	(3,066,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	134,123	45,072
Proceeds from sale of financial assets	1,019,200	-
Proceeds from sale of tenement	-	41,255
Net cash inflows from investing activities	1,153,323	86,327
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of capital raising costs	-	-
Net cash inflow from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	628,663	(2,980,309)
Cash and cash equivalents at the beginning of the period	4,920,642	7,494,280
Differences in foreign exchange	(16,238)	(1,067)
Cash and cash equivalents at the end of the period	5,533,067	4,512,904

This Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

These general purpose interim financial statements of Carbine Resources Limited and its controlled entity (the Group) for the half-year reporting period ended 30 June 2013 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year report was authorised for issue in accordance with a resolution of the Board of Directors on 6 September 2013. Carbine Resources Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The interim financial statements do not include all notes of the type normally included within the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2012 and any public announcements made by Carbine Resources Limited during the interim financial reporting period in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed below:

The Group has adopted the following new and revised Australian Accounting Standards from 1 January 2013 together with consequential amendments to other Standards:

- AASB 10: Consolidated Financial Statements
- AASB 127: Separate Financial Statements
- AASB 11: Joint Arrangements
- AASB 128: Investments in Associates and Joint Ventures
- AASB 12: Disclosure of interests in other Entities
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 13: Fair Value Measurement
- AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13
- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

These Standards are mandatorily applicable from 1 January 2013 and thus became applicable to the Group for the first time in the current half year reporting period. The effects of these Standards in the current half year reporting period are as follows:

- As required by revisions to AASB 101 Presentation of Financial Statements, the other comprehensive income section of the Statement of Comprehensive Income now presents line items for amounts of other comprehensive income in the period, classified by nature (including share of the other comprehensive income of associates and joint ventures accounted for using the equity method) and grouped into those that, in accordance with other Australian Accounting Standards:
 - (a) will not be reclassified subsequently to profit or loss; and
 - (b) will be reclassified subsequently to profit or loss when specific conditions are met.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2013**

- AASB 13 Fair Value Measurement explains how to measure fair value and aims to enhance fair value disclosures. The introduction of this standard has no effect on currently reported balances, but future measurement techniques will change as a result of the new guidance. Application of the new standard affects the information disclosed in the notes to the financial statements.

The Group has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

2. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	30 June 2013	30 June 2012
	\$	\$
Exploration expenditure during the half year	327,604	1,897,710
Exploration costs expensed	(327,604)	(1,897,710)
Total exploration and evaluation	-	-

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 June 2013	31 December 2012
	\$	\$
Current		
Trade and other receivables	10,089	30,868
VAT receivable	832,588	764,826
Opening balance of impairment of VAT receivable	(764,826)	(533,478)
Increase in impairment of VAT (note a)	(67,762)	(231,348)
	10,089	30,868

a. Impaired VAT Receivable

As at 30 June 2013, the Group had VAT receivable in Burkina Faso of \$832,588 (2012: \$764,826). The VAT is recoverable against generation of revenue for which the Group would be required to remit VAT. The Group determined that at this stage of exploration it was not yet probable that it would generate this revenue and the whole of the VAT receivable has been treated as impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2013

4. PLANT AND EQUIPMENT

	CONSOLIDATED	
	30 June 2013	31 December 2012
	\$	\$
Opening net book value	214,594	306,330
Additions	-	66,461
Foreign exchange	9,902	(2,725)
Depreciation charge for the year	(40,401)	(130,733)
Disposals	(104,208)	(24,739)
Closing net book value	<u>79,887</u>	<u>214,594</u>
Cost	164,908	450,632
Accumulated depreciation and impairment	(85,021)	(236,038)
Net book value	<u>79,887</u>	<u>214,594</u>

5. ISSUED CAPITAL

	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	No. of Shares	No. of Shares	\$	\$
<i>(a) Ordinary Shares fully paid</i>				
Balance at beginning of period	140,017,394	140,017,394	22,636,442	22,636,442
Issue of shares from exercise of options	-	-	-	-
Issue of shares from underwriting of options	-	-	-	-
Cost of capital raising	-	-	-	-
Balance at end of period	140,017,394	140,017,394	22,636,442	22,636,442

	30 June 2013	31 December 2012
	No. of Options	No. of Options
<i>(b) Unlisted Options</i>		
Balance at beginning of period	16,025,000	9,375,000
Options granted in the period	-	8,000,000
Options exercised	-	-
Options underwritten	-	-
Options cancelled on failure to vest	-	(1,350,000)
	<u>16,025,000</u>	<u>16,025,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 30 JUNE 2013**

6. SEGMENT INFORMATION

	Australia \$	West Africa \$	Reconciling items \$	Total \$
30 June 2013				
Total segment revenue	85,393	-	-	85,393
Inter segment revenue	-	-	-	-
External revenue	85,393	-	-	85,393
Segment loss	(583,937)	(421,375)	-	(1,005,312)
30 June 2012				
Total segment revenue	161,870	-	-	161,870
Inter segment revenue	-	-	-	-
External revenue	161,870	-	-	-
Segment loss	(231,363)	(2,181,274)	-	(2,412,637)
Segment assets				
	Australia	West Africa \$		Total \$
30 June 2013	5,579,580	100,592	-	5,680,172
30 June 2012	4,524,177	281,348	-	4,805,525

7. CONTINGENCIES

The Group has been in discussion regarding indirect taxes payable in Burkina Faso. This matter is still subject to discussion at the date of this report.

The Group had no other contingent liabilities or contingent asset as at 30 June 2013 (31 December 2012: None).

8. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting period, 6,850,000 unlisted options expired without being exercised as follows:

- 2,000,000 unlisted options exercisable at \$0.30 expired on 24 August 2013
- 2,000,000 unlisted options exercisable at \$0.40 expired on 24 August 2013
- 1,000,000 unlisted options exercisable at \$0.30 expired on 27 August 2013
- 1,000,000 unlisted options exercisable at \$0.40 expired on 27 August 2013
- 850,000 unlisted options exercisable at \$0.30 expired on 2 September 2013

There were no other events subsequent to the end of the half year ended 30 June 2013 that would have a material effect on these financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbine Resources Limited 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 directors.



Evan Cranston
Director

Dated at Perth this 9th day of September 2013

9 September 2013

The Directors

Carbine Resources Limited
Suite 23, 513 Hay Street
SUBIACO WA 6008

Dear Sirs

RE: CARBINE 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 Carbine Resources Limited.

As Audit Director for the review of the financial statements of Carbine Resources Limited for the period 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CARBINE RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carbine Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Carbine Resources Limited (the consolidated entity). The consolidated entity comprises both Carbine Resources Limited (the Company) and the entity it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Carbine 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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*, has been provided to the directors of Carbine Resources Limited on 9 September 2013.

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 Carbine 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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International



Samir Tirodkar
Director

West Perth, Western Australia
9 September 2013