

Fortunis Resources Limited

ABN 88 156 377 141

Interim Financial Report

31 December 2012

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DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Calogero Giovanni Battista Rubino	Chairman
Peter Alexander	Non-Executive Director
Darren Wates	Non-Executive Director and Company Secretary

Review of Operations

During the period the Company successfully completed an initial public offering raising \$2,808,200 at \$0.20 per share and was admitted to the official list of ASX. Quotation of the Company's shares on ASX commenced on 18 December 2012.

Project Overview

The Company is party to a Farm-in Agreement with Barrambie Minerals Limited (**BML**), pursuant to which the Company can earn up to a 51% legal and beneficial interest in Exploration Licence 57/838 (**Tenement**). The Tenement is located approximately 50 kilometres north-north west of Sandstone in the East Murchison region of Western Australia.

The Tenement covers approximately 63 square kilometres and is located at the southern end of the Barrambie Greenstone Belt. The regional Barrambie Greenstone belt has been explored focusing on gold deposits associated with lithological and faults contacts and vanadium deposits contained within the layered intrusion. Lithologies at Barrambie which host gold mineralisation include gabbro, granite, felsic volcanics and sediments. The Tenement covers a sequence of metamorphosed mafic volcanic rocks and semi concordant gabbroic intrusions. A review of previous work done in the region suggests the potential for gold, copper and vanadium-titanium-iron mineralisation.

After admission to the official list of ASX, all conditions precedent to the Farm-in Agreement were satisfied and the Company made the initial payment of \$25,000 due to BML.

Operating Results

The loss of the Company for the period was \$17,676.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 2 and forms part of this directors' report for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



C G B RUBINO
Chairman

12 March 2013

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Fortunis Resources Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
12 March 2013

N G NEILL
Partner, HLB Mann Judd

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Notes	31 December 2012 \$
Other expenses		(17,676)
Loss before income tax	3	(17,676)
Income tax expense		-
Net loss for the period		(17,676)
Other comprehensive income		-
Total comprehensive loss for the period		(17,676)
Basic loss per share (cents per share)		(0.38)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Notes	31 December 2012 \$	30 June 2012 \$
Assets			
Current assets			
Cash and cash equivalents		2,720,231	1
Trade and other receivables		12,061	-
Other		5,000	-
Total current assets		2,737,292	1
Non-current assets			
Exploration and evaluation expenditure	4	25,000	-
Property, plant and equipment		1,814	-
Total non-current assets		26,814	-
Total assets		2,764,106	1
Liabilities			
Current liabilities			
Trade and other payables		18,116	-
Total current liabilities		18,116	-
Total liabilities		18,116	-
Net assets		2,745,990	1
Equity			
Issued capital	5	2,762,966	1
Reserves	6	700	-
Accumulated losses		(17,676)	-
Total equity		2,745,990	1

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Notes	Issued capital \$	Option reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2012		1	-	-	1
Loss for the period		-	-	(17,676)	(17,676)
Total comprehensive loss for the period		-	-	(17,676)	(17,676)
Securities issued during the half-year	5	2,948,200	700	-	2,948,900
Transaction costs	5	(185,235)	-	-	(185,235)
Balance at 31 December 2012		2,762,966	700	(17,676)	2,745,990

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	31 December 2012
	\$
Cash flows from operating activities	
Payments to suppliers and employees	(18,129)
Finance costs	(306)
Net cash inflow/(outflow) from operating activities	<u>(18,435)</u>
Cash flows from investing activities	
Payments for exploration and evaluation expenditure	(25,000)
Net cash inflow/(outflow) from investing activities	<u>(25,000)</u>
Cash flows from financing activities	
Proceeds from the issue of securities	2,948,900
Payments for share issue costs	(185,235)
Net cash inflow/(outflow) from financing activities	<u>2,763,665</u>
Net increase/(decrease) in cash held	2,720,230
Cash and cash equivalents at the beginning of the period	1
Cash and cash equivalents at the end of the period	<u><u>2,720,231</u></u>

The accompanying notes form part of these financial statements

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the Company's prospectus dated 30 October 2012 and any public announcements made by Fortunis Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted are consistent with those outlined in the prospectus.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Company accounting policies.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Incorporation and comparatives

The Company was incorporated on 20 March 2012. There are therefore no comparative balances presented in this financial report for the corresponding half-year period.

NOTE 2: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Company that are reviewed by the chief operating decision maker in order to allocate the resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Fortunis Resources Limited. The Company operates in the one segment, being mineral operation and evaluation in Australia. Accordingly, under the "management approach" outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

NOTE 3: LOSS BEFORE INCOME TAX EXPENSE

	31 December 2012
	\$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:	
Expenses	
Director Remuneration	2,767
Administrative	14,909
	<u>17,676</u>

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2012
	\$
Costs carried forward in respect of exploration and evaluation expenditure:	
Balance at the beginning of the period	-
Initial payment pursuant to Farm-in Agreement – Barrambie Project	25,000
Total exploration and evaluation balance at the end of the period	<u>25,000</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable mineral or other natural resource deposits and their successful development and commercial exploration or sale of the respective mining areas.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

NOTE 5: ISSUED CAPITAL

	31 December 2012	30 June 2012
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	2,762,966	1

	31 December 2012		30 June 2012	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	1	1	-	-
Shares issued:				
- Incorporation	-	-	1	1
- Seed capital	7,000,000	140,000	-	-
- Initial public offer	14,041,000	2,808,200	-	-
Share issue costs		(185,235)	-	-
Balance at end of period	21,041,001	2,762,966	1	1

NOTE 6: OPTIONS

	31 December 2012		30 June 2012	
	Number	\$	Number	\$
<i>Movements in options over ordinary shares on issue</i>				
Balance at beginning of period	-	-	-	-
Options Issued	7,000,000	700	-	-
Balance at end of period	7,000,000	700	-	-

NOTE 7: DIVIDENDS

The directors of the Company have not declared an interim dividend.

NOTE 8: CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

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 in future financial years.

NOTE 10: COMMITMENTS

The Company has the following expenditure commitments pursuant to its Farm-in Agreement with Barrambie Minerals Limited, subject to electing to earn each of the Stage 2 and the Stage 3 interests. Further details with respect to these commitments are outlined in the Company's prospectus.

Stage	Expenditure commitment	Earn In Period	Interest in Tenement Acquired
1	\$50,000	6 months from 14 December 2012	17%
2	\$250,000	1 year from earning Stage 1 interest	17%
3	\$650,000	1 year from earning Stage 2 interest	17%

DIRECTORS' DECLARATION

In the opinion of the directors of Fortunis Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year then ended; and
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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



C G B RUBINO
Chairman

12 MARCH 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fortunis Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Fortunis Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 company's financial position as at 31 December 2012 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the company for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial 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 Fortunis Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2012 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*.



HLB MANN JUDD
Chartered Accountants



N G NEILL
Partner

Perth, Western Australia
12 March 2013