



Ishine International Resources Limited

Half-Year Financial Report
31 December 2011



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CORPORATE DIRECTORY

ABN 64 139 522 553

Directors

Mr Yunde Li (Executive Chairman)

Mr Naiming (James) Li (Non-Executive Director)

Mr Mark Muzzin (Non-Executive Director)

Company Secretary

Mr Leonard Math

Principal Place of Business

1187 Hay Street

WEST PERTH WA 6005

Tel: (08) 6142 5088

Fax: (08) 9200 5638

Registered Office

14 Emerald Terrace

WEST PERTH WA 6005

Tel: (08) 9322 2700

Fax: (08) 9322 7211

Share Registry

Security Transfer Registrars

770 Canning Highway

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

Stock Exchange Listing

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



DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2011.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

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

Dr Caigen Wang	Managing Director (Resigned 9 December 2011)
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PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was mineral resources exploration.

REVIEW OF OPERATIONS

Mt Watson (ISH 49%, Kabiri 51%)

In early September 2011, the Company signed a Heads of Agreement ("HoA") with The 8th Institute of Geology and Mineral Exploration ("IGME") in respect to copper exploration in the Mt Watson Project in north-west Queensland. IGME will spend up to \$1.7M to earn up to a 51% interest in this project.

Following IGME's site visit, project due diligence and Chinese government approval, the Company and IGME has signed a farm-in agreement to allow IGME to earn an interest in this copper project with the key terms and conditions summarized below:

- IGME will pay Ishine \$300,000 within 3 months of the effective date of the agreement
- IGME will spend not less than \$300,000 within the first 12 months for exploration in the Mt Watson project (two tenements)
- IGME will earn a 30% interest in the project if the above two requirements are met in the first 12 months.
- IGME cannot pull out within the first 12 months. If IGME terminates the agreement after 12 months, its interest will be reduced to 20%.
- IGME will pay Ishine \$250,000 within the first 3 months of the second year
- IGME will spend not less than \$300,000 within the second 12 months for exploration in the Mt Watson project (two tenements)
- IGME will earn a 51% interest in the project if its cash payment 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.

The 8th Institute of Geology and Mineral Exploration, Shandong Province, is a PRC state-owned geological exploration unit. It provides services such as engineering surveying, hydrological engineering, mineral geology and drilling. The headquarters are located in Rizhao City, Shandong Province, and is equipped with a number of Grade "A" exploration qualifications.



Ishine, being listed on the Australian Securities Exchange on the 18th December 2009, has continued its focus on expanding the Company's exploration portfolio by acquiring quality tenements and continues to explore its current projects. The involvement of IGME in Ishine's Mt Watson copper project enhances the Company's technical and financial resources required to fast track the exploration and mineral resource definition of this highly prospective copper project. More importantly, IGME's participation has paved a way for securing the follow-up funds required for future project development.

The 8th Institute of Geology and Mineral Exploration ("IGME"), who are farming into Ishine's interest in the Mt Watson Copper Project in Queensland, planned a round of RC drilling scheduled for drilling first quarter of 2012.

Following the current wet season, IGME has designed a program of 8 to 10 RC drill holes targeting VTEM anomalies, generated by Ishine during 2010, and following up anomalous copper intersections in drilling previously reported by Ishine in February 2011.

This drilling predominantly occurred 5km to the south west and along strike of The Mt Watson Copper Deposit (8.01Mt @ 0.9% Cu). (Fig. 1) Intersections included:

- 90m @ 0.21% Cu from 18m including 2m @ 0.73% Cu from 36m, and 8m @ 0.40% Cu from 46m in MWRC007
- 2m @ 214ppm Cu from 106m in MWRC003 (end of hole anomaly)
- 46m @ 356ppm Cu from surface in MWRC004
- 16m @ 218ppm Cu from surface in MWRC005
- 6m @ 230ppm Cu from 106m in MWRC008
- 22m @ 538ppm Cu from 8m in MWRC009
- 20m @ 296ppm Cu from 36m in MWRC009

Final preparations are currently in process including planning for heritage surveying of drill sites, local pastoralist liaison and negotiation with local drilling contractors. By the wet seasons end the program will be ready to commence.

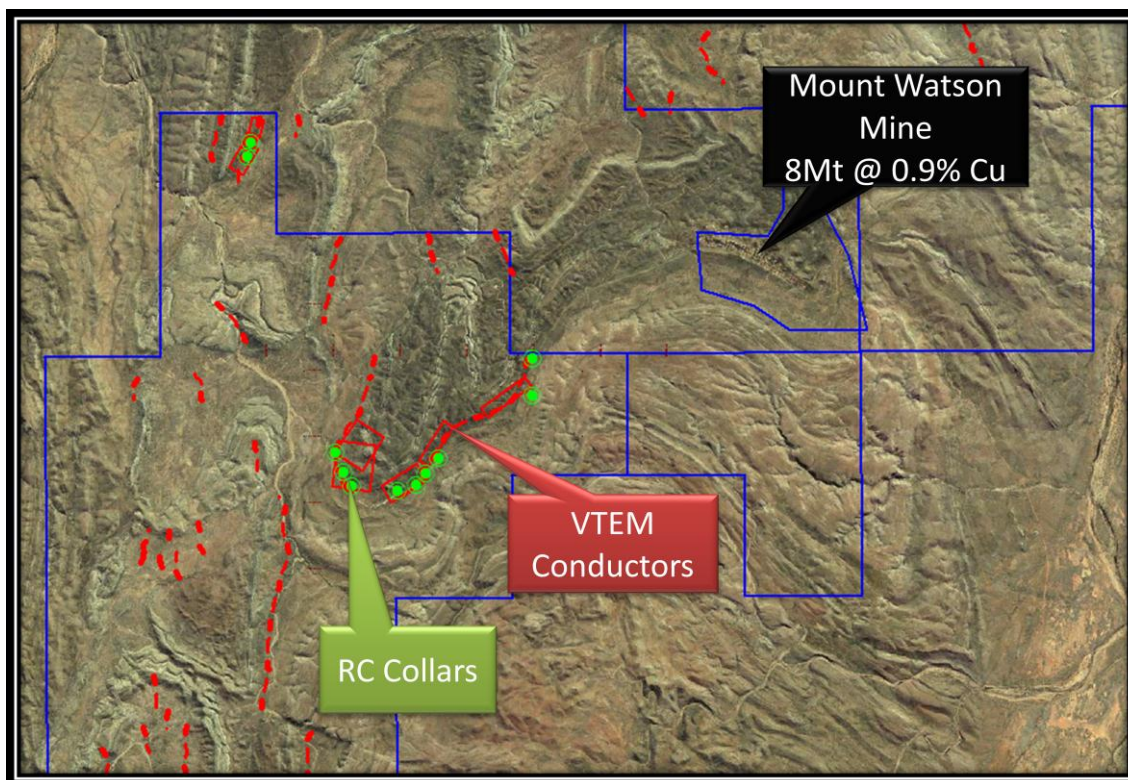


Figure 1 Mt Watson VTEM anomaly axis and RC collars drilled by Ishine during 2010



Field reconnaissance conducted in the company's CAPRICORN PROJECT E08/2222 & E08/2239

During the half year, Ishine carried out initial field reconnaissance at the two tenements application which form the Capricorn Project. The two Capricorn exploration tenements of 341km² and 109km² are located over the north-western arm of the mid-Proterozoic Bangemall Basin in the Ashburton region of Western Australia. It is situated approximately 950kms north of Perth. It covers approximately 20km strike of the major Talga Fault, recently identified by the Geological Survey of Western Australia. The Talga Fault separates shallow dipping rocks of the Pingandy Shelf to the north and the more steeply dipping compressed and folded sedimentary rocks of the Edmund Ford Belt to the south.

The tenement is surrounded by Aurora Minerals Limited's Capricorn Projects where recent research found massive high-grade manganese mineralization. In early November 2010, Aurora announced their high grade manganese discovery in this project area and said that "Of the 125 rock-chip samples collected from surface, 83 assayed over 20% Mn with 21 exceeding 40% Mn to a maximum of 54.8% Mn."

Ishine's target minerals sought over these two exploration tenements are manganese, base metal massive sulphide deposits, such as the large lead-zinc deposits and stratabound uranium deposits.

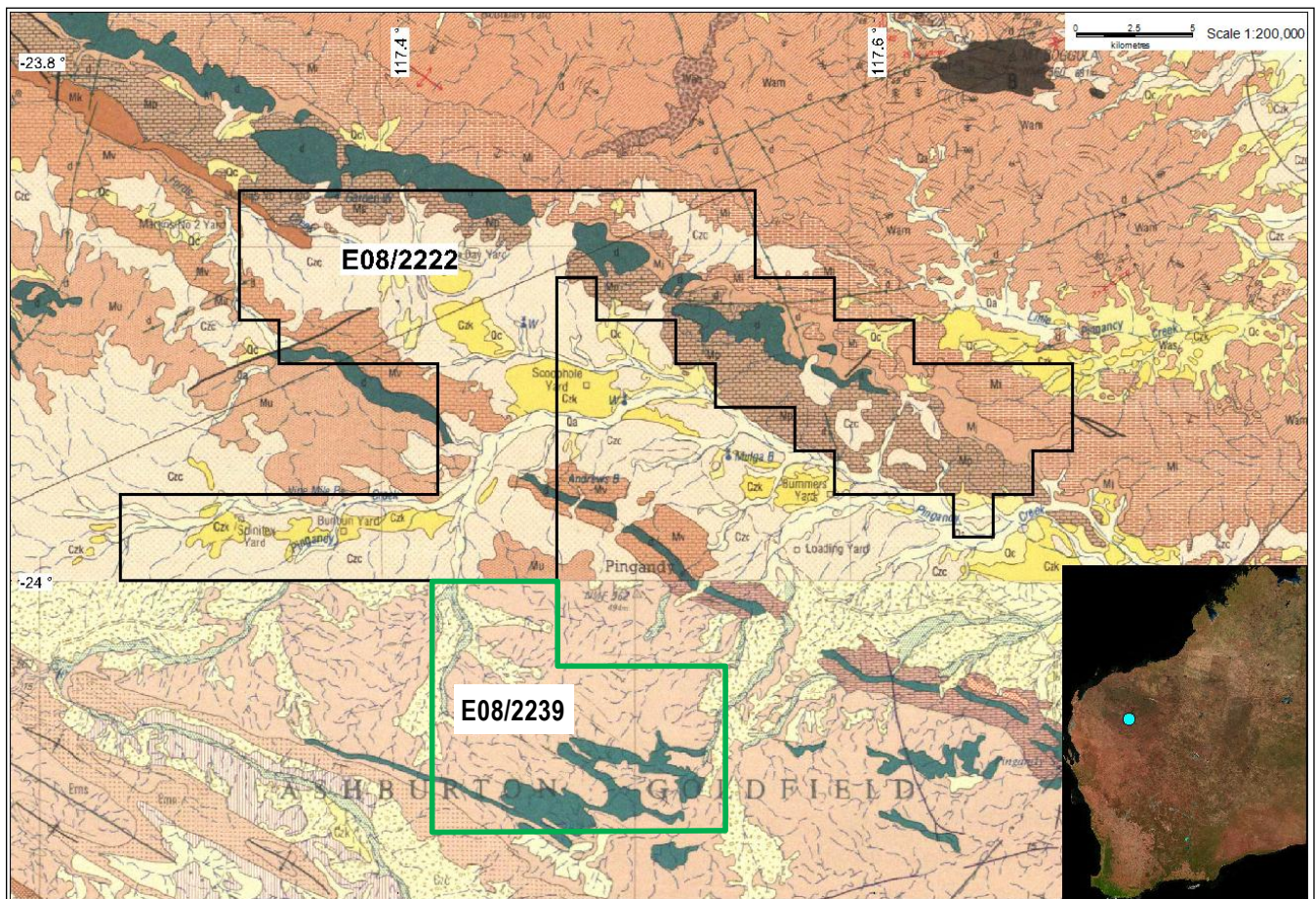


Figure 2 Capricorn Project WA



The Company has been actively implementing its first year exploration programs for the new tenements granted during the half year. With an aim of bringing external expertise and funds to the Company's prospective exploration projects, a number of Chinese geological institutes were escorted to the Company's tenements during the half year. Discussions and negotiations for possible farm-in programs are currently underway.

In late 2009, Ishine International Resources Ltd ("ISH") entered into a Joint Venture Agreement on the Falconbridge Nickel Project allowing Ishine to earn up to a 70% interest from Strategic Energy Resources ("SER") in the tenements by funding up to \$3 million on exploration expenditure.

Ishine has given SER formal notification of termination of the Joint Venture Agreement on 28 November 2011 given Ishine considers that the prospects of these tenements are limited.

Dr Caigen Wang has resigned as Managing Director of Ishine International Resources Limited on 9 December 2011.

Dr Caigen Wang has been the Managing Director since listing on the ASX in 2009 and has been instrumental to the Company.

The Board is appreciative of the energy and commitment that Dr Wang has given to the Company and wishes him every success in his future career movement.

The information in this report that relates to Exploration Progress has been prepared by Mr Martin Dormer, who is a member of the Australian Institute of Mining and Metallurgy, and a full time employee of Ishine International Resources Ltd. Mr Dormer has sufficient relevant experience in the techniques being reported and styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.

RESULTS OF OPERATIONS

The Company has made a loss from continuing operations after income tax of \$90,278 for the half-year ended 31 December 2011 (31 December 2010: loss of \$1,522,344).

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Deloitte Touche Tohmatsu, which is included on page 8.

Signed in accordance with a resolution of the directors

Mr Yunde Li
Chairman
Dated: 14th March 2012

The Board of Directors
Ishine International Resources Limited
1187 Hay Street
West Perth, WA 6005
Australia

14 March 2012

Dear Board Members

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 review of the half-year financial statements of Ishine International Resources Limited for the period ended 31 December 2011, 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 sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



D J Hall
Partner
Chartered Accountants



CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Revenue	4	-	18,333
Other income	5	763,296	1,950
(Loss)/Gain on fair value of derivative		(94,620)	28,673
Share based payments expense		(19,112)	(187,686)
Share of loss of associate	8	-	(124,923)
Depreciation expense		(12,745)	(15,920)
Other expenses	5	(727,096)	(1,242,771)
Loss before income tax		(90,278)	(1,522,344)
Income tax expense		-	-
Loss from continuing operations after income tax		(90,278)	(1,522,344)
Net loss on available for sale financial asset		(166,000)	-
Other comprehensive loss for the half year		(166,000)	-
Total comprehensive loss for the half year		(256,278)	(1,522,344)
Earnings per share (cents per share)			
- basic and diluted loss per share for the half-year		(0.10)	(1.75)

The accompanying notes form the part of these financial statements.



CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$	30 June 2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,846,732	2,272,175
Trade and other receivables		44,939	30,610
Total Current Assets		1,891,671	2,302,785
Non-Current Assets			
Investment in associate	8	-	367,663
Financial asset available for sale	9	664,000	-
Other financial assets	10	87,565	182,185
Property, plant and equipment		99,830	110,625
Deferred exploration and evaluation expenditure	7	1,226,106	1,226,106
Total Non-Current assets		2,077,501	1,886,579
TOTAL ASSETS		3,969,172	4,189,364
LIABILITIES			
Current liabilities			
Trade and other payables		87,607	70,632
Total Current Liabilities		87,607	70,632
TOTAL LIABILITIES		87,607	70,632
NET ASSETS		3,881,565	4,118,732
EQUITY			
Contributed equity	12	6,839,952	6,839,952
Share based payments reserve		872,997	853,886
Investment revaluation reserve		(166,000)	-
Accumulated losses		(3,665,384)	(3,575,106)
TOTAL EQUITY		3,881,565	4,118,732

The accompanying notes form the part of these financial statements.



CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Cash flows from operating activities			
Receipts from services rendered		-	33,816
Payments to suppliers and employees		(443,093)	(364,388)
Payments for exploration activities		(281,359)	(764,411)
Interest received		959	1,950
Net cash flows used in operating activities		(723,493)	(1,093,033)
Cash flows from investing activities			
Farm in Contribution		300,000	-
Payments for fixed assets		(1,950)	(10,759)
Net cash flows from/(used in) investing activities		298,050	(10,759)
Cash flows from financing activities			
Proceeds from issue of shares		-	20,000
Net cash flows from/(used in) financing activities		-	20,000
Net decrease in cash and cash equivalents		(425,443)	(1,083,792)
Cash and cash equivalents at beginning of period		2,272,175	4,112,135
Cash and cash equivalents at end of period	6	1,846,732	3,028,343

The accompanying notes form the part of these financial statements.

ISHINE INTERNATIONAL RESOURCES LIMITED
HALF-YEAR REPORT



CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Issued Capital	Share Based Payments Reserve	Investment Revaluation Reserve	Retained earnings	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2011	6,839,952	853,886	-	(3,575,106)	4,118,732
Loss for the period	-	-	-	(90,278)	(90,278)
Other comprehensive loss for the period	-	-	(166,000)	-	(166,000)
Total comprehensive loss for the period	-	-	(166,000)	(90,278)	(256,278)
Share-based payments	-	19,111	-	-	19,111
At 31 December 2011	6,839,952	872,997	(166,000)	(3,665,384)	3,881,565
Opening Balance as at 1 July 2010	6,669,952	796,153	-	(1,123,128)	6,342,977
Loss for the period	-	-	-	(1,522,344)	(1,522,344)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,522,344)	(1,522,344)
Issue of shares	20,000	-	-	-	20,000
Share-based payments	150,000	37,686	-	-	187,686
At 31 December 2010	6,839,952	833,839	-	(2,645,472)	5,028,319

The above statement should be read in conjunction with the accompanying notes



NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Ishine International Resources Limited (the Company) for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 14th March 2012.

Ishine International Resources Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange ("ASX").

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Compliance with *AASB 134* ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*. The half- year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except where stated. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars, unless otherwise noted.

The accounting policies and methods adopted in the presentation of the half year financial report are consistent with those adopted and disclosed in the Company's 2011 annual financial report for the financial year ended 30 June 2011. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011. The adoption of these new and revised standards has not resulted in any significant changes to the Company's accounting policies or to the amounts reported for the current or prior periods.

A range of amendments to Standards and Interpretations have been made which are available for early adoption for financial reporting periods beginning on or after 1 July 2011. The Company has decided not to early adopt these amendments and they are not expected to have a significant impact on the financial statements.



3. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the company's board of directors for the purposes of resource allocation and assessment of performance is more specifically focused on mineral exploration. The company's reportable segments under AASB 8 are therefore as follows:

	Mineral Exploration \$	Corporate and administrative \$	Company \$
31 December 2011			
Segment revenue	-	763,296	763,296
Total revenue			<u>763,296</u>
Segment result	20,639	(110,917)	(90,278)
Loss before related income tax expense			<u>(90,278)</u>
Segment assets	1,226,106	2,743,066	<u>3,969,172</u>
Segment liabilities	16,102	71,503	<u>87,605</u>

	Mineral Exploration \$	Corporate and administrative \$	Company \$
31 December 2010			
Segment revenue	-	18,333	18,333
Total revenue			<u>18,333</u>
Segment result	(748,926)	(773,418)	(1,522,344)
Loss before related income tax expense			<u>(1,522,344)</u>
Segment assets	1,226,106	4,032,376	<u>5,258,482</u>
Segment liabilities	141,871	88,292	<u>230,163</u>

4. REVENUE

	31 December 2011 \$	31 December 2010 \$
Directorship revenue (Athena)	-	<u>18,333</u>



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

5. OTHER INCOME AND EXPENSES

	31 December 2011 \$	31 December 2010 \$
<i>Other income</i>		
Interest income	959	1,950
Gain arising on cessation of equity accounting	462,337	-
Farm in contribution from IGME (i)	300,000	-
	<u>763,296</u>	<u>1,950</u>

(i) 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.

<i>Other expenses</i>		
Travel expenses	62,682	20,614
Exploration expenses	279,361	748,926
Employee benefits	130,199	212,550
Administration expenses	254,854	260,681
	<u>727,096</u>	<u>1,242,771</u>

6. CASH AND CASH EQUIVALENTS

For the purposes of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

	31 December 2011 \$	30 June 2011 \$
Cash at bank and in hand	1,846,732	2,272,175
	<u>1,846,732</u>	<u>2,272,175</u>

7. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Cost of tenement acquisition	(i) 1,226,106	1,226,106
	<u>1,226,106</u>	<u>1,226,106</u>



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

(i) The 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. During the half year ended 31 December 2011, the Company has relinquished its joint venture arrangement to acquire 70% interest in Falcon Bridge. There was no impairment loss arising from this termination to acquire the right to earn a 70% interest in Falcon Bridge upon signing of the agreement.

8. INVESTMENTS IN ASSOCIATES

Details of the Company's associate up till 30 June 2011 are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership Interest and voting power held	
			30 June 2011 %	31 December 2010 %
Athena Resources Ltd	Mineral Exploration	Australia	7.8	11

Athena Resources Ltd

On 15 April 2010, the Company invested \$1,037,500 in Athena Resources Limited ('Athena') in Tranche 1 for 8,300,000 Fully Paid Ordinary Shares at 12 cents per share with 4,150,000 Options exercisable at 8 cents expiring on 30 April 2012 at 1 cent per option.

Subject to exercising its Option (Tranche 2) at anytime before 5.00pm (WST) on 31 October 2010, the Company could have further increased its stake in Athena by 5,935,823 Fully Paid Ordinary Shares at 20 cents per share with 2,967,912 Options exercisable at 8 cents expiring on 30 April 2012 at 1 cent per option.

The Directors of Ishine decided not to proceed with investing further into Athena under Tranche 2. However, the Company will remain as a shareholder of Athena and potentially increase its holdings by exercising the 4,150,000 Options at 8 cents each on or before 30 April 2012.

On completion of the Tranche 1 investment, Dr Caigen Wang was nominated as a non-executive director of Athena.

Although the Company held less than 20% of the equity shares of Athena, and less than 20% of the voting power in shareholder meetings, the Company demonstrated significant influence by owning options that have the potential, if exercised to give the Company additional voting power and also by the representation of Dr Caigen Wang on the board of directors.

As at 1 July 2011, Athena ceased to be the Company's associate as it no longer demonstrates significant influence due to the dilution of Ishine's equity shares of Athena and Caigen's resignation from the board of Athena as Non-executive Director.



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

Summarised financial information in respect of the Company's associate is set out below:

Athena Resources Limited	\$
Opening book value of investment in Athena as at 1 July 2011	367,663
Share of loss of associate	-
Carrying value of investment in Athena immediately prior to loss of significant influence	<u>367,663</u>
Gain on cessation of equity accounting	462,337
Loss on fair value revaluation as at 31 December 2011	<u>(166,000)</u>
Carrying value of investment in Athena as at 31 December 2011	<u>664,000</u>

9. AVAILABLE FOR SALE FINANCIAL ASSETS CARRIED AT FAIR VALUE

	<i>31 December 2011 \$</i>	<i>30 June 2011 \$</i>
Available-for-sale investments carried at fair value		
Listed shares in Athena Resources Limited (i)	<u>664,000</u>	<u>-</u>

- (i) The Company holds 8% of the ordinary share capital of Athena Resources Limited, an exploration company listed on the Australian Securities Exchange and a former associate (see note 8). The directors of the Company do not consider that the Company is able to exercise significant influence over Athena Resources Limited.

10. OTHER FINANCIAL ASSETS

**Financial assets carried at fair value
through profit and loss (FVTPL)**

Athena Tranche 1 Options (i)	<u>87,565</u>	<u>182,185</u>
	<u>87,565</u>	<u>182,185</u>

- (i) Tranche 1: 4,150,000 Options exercisable at 8 cents expiring on 30 April 2012 at 1 cent per option.



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

11. COMMITMENTS AND CONTINGENCIES

(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 of joint venture agreements amended.

The existing tenement commitments are as follows;

	<i>31 December 2011</i>	<i>31 December 2010</i>
	\$	\$
0 to 1 year	1,489,416	1,031,425
1 to 3 years	1,329,206	1,538,762
3 to 5 years	1,045,521	920,830
Greater than 5 years	-	-
	<u>3,846,143</u>	<u>3,491,017</u>

(b) Lease agreement

The Company relocated its office premises and entered into a new 3-year operating lease agreement on 1 October 2011. The commitments in relation to this, inclusive of floor space, parking bays and variable outgoings are as follows:

	<i>31 December 2011</i>	<i>31 December 2010</i>
	\$	\$
0 to 1 year	162,906	110,713
1 to 3 years	305,261	133,778
	<u>468,167</u>	<u>244,491</u>

(c) Company secretarial service

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 commitment in relation to the 90-day notice is as follow:

	<i>31 December 2011</i>	<i>31 December 2010</i>
	\$	\$
Company secretarial fees for 90 days	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

The Directors are not aware of any contingent liabilities as at 31 December 2011.



31 December 2011
Number \$

12. CONTRIBUTED EQUITY

Share Capital

31 December 2011
Number \$

At 1 July 2011

87,300,000 6,839,952

At 31 December 2011

87,300,000 6,839,952

13. EVENTS AFTER THE BALANCE SHEET DATE

No other matter or other circumstance has arisen since 31 December 2011, which has significantly affected, or may significantly affect the operations of the entity, the result of those operations, or the state of affairs of the entity for the half-year ended 31 December 2011.



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; and

b) 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.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Mr Yunde Li
Chairman

Perth, 14th March 2012

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

We have reviewed the accompanying half-year financial report of Ishine International Resources Limited, which comprises the condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 9 to 20.

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 consolidated entity's financial position as at 31 December 2011 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 Ishine International 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.

Auditor's Independence Declaration

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 Ishine International 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 Ishine International 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 31 December 2011 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



D J Hall

Partner

Chartered Accountants

Perth, 14 March 2012