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Ishine

Ishine International Resources Limited

Half-Year Financial Report
31 December 2012

CORPORATE DIRECTORY

ABN 64 139 522 553

Directors

Mr Yunde Li (Executive Chairman)

Mr Mark Muzzin (Non-Executive Director)

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

Executives

Mr Chuanshui Yin (Chief Executive Officer) (Effective 1 December 2012)

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 2012.

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

EXECUTIVES

Mr Chuanshui Yin	Chief Executive Officer (Effective 1 December 2012)

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

Mt Watson (ISH 70%, Kabiri 30%)

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

Ishine International Resources Limited's Joint Venture partner, the 8th Institute of Geology and Mineral Exploration ("IGME") is actively involved in gaining understanding of the operational requirement by the Queensland Government regarding tenement exploration drilling activities in this state and has completed a 12 hole drilling program at the Mt Watson project site.

While preparing the drilling campaign, an earth moving contractor with drill pad preparation experience was engaged and successfully completed drill pads and access road grading for the Mt Watson Project approximately 130 km Northeast Mt Isa in QLD, building a safe foundation for the RC drilling.

The 12 drill holes, of angled RC drilling, were based on a previously identified set of geological anomalies at the project site. Extensive pad preparation was carried out due to the location of the proposed drill sites, which were located on a hill. A total of 1,174 metres was drilled as planned. Drilling depths ranged from 70metres, on a few difficult holes, to 160 metres. One sample per meter drilled was collected. More than 1,000 samples will be sent to labs for processing and assaying. Once the assay results are available, together with the drill logs, a detailed mapping analysis will be carried out.

DIRECTORS' REPORT (Continued)

Assay Results

Ishine International Resources Ltd (Ishine) is pleased to announce recent assay results from reverse circulation (RC) drilling conducted at the Mount Watson Copper Project during 2012.
The Mount Watson Project (the Project) is a joint venture between Ishine (70%) and Kabiri Resources Pty Ltd (30%).
The Project is situated approximately 120 km north of Mt Isa in north-west Queensland and comprises two tenements, EPM15933 and EPM15986, covering an area of 103.6 km2. The tenements surround the Mt Watson copper mine (not on the Ishine tenements) which produced 8.08 Mt at an average grade of 0.9% Cu.
Twelve RC drillholes (totalling 1,174 m) were drilled on tenement EPM15986 on previously identified versatile time domain electromagnetic survey (VTEM) anomalies 5 km to the south-west and along strike of the Mt Watson copper mine. Table 1 lists the drillhole coordinates and drilling orientation. Figures 1 and 2 show the drillhole locations.

Table 1 Drillhole Collars

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

The target anomalies exist in a large fold structure believed to be favourable for hosting mineralisation analogous to that found and mined nearby at Mt Watson.
Samples were collected for every metre drilled and submitted to Bureau Veritas Amdel for preparation (Mt Isa, Queensland) and analysis (Cardiff, Newcastle, New South Wales). Each sample was dried, crushed and split to approximately 200 grams then pulverised in an LM5 ring mill to 85% passing 75 microns. Each sample was assayed for copper, lead and zinc using induced coupled plasma optical emission spectrometry (ICP-OES).
Drillhole ZK25-1 intersected one shallow zone of low order anomalous copper (Cu) with grades up to 1,390 ppm Cu (Table 2).

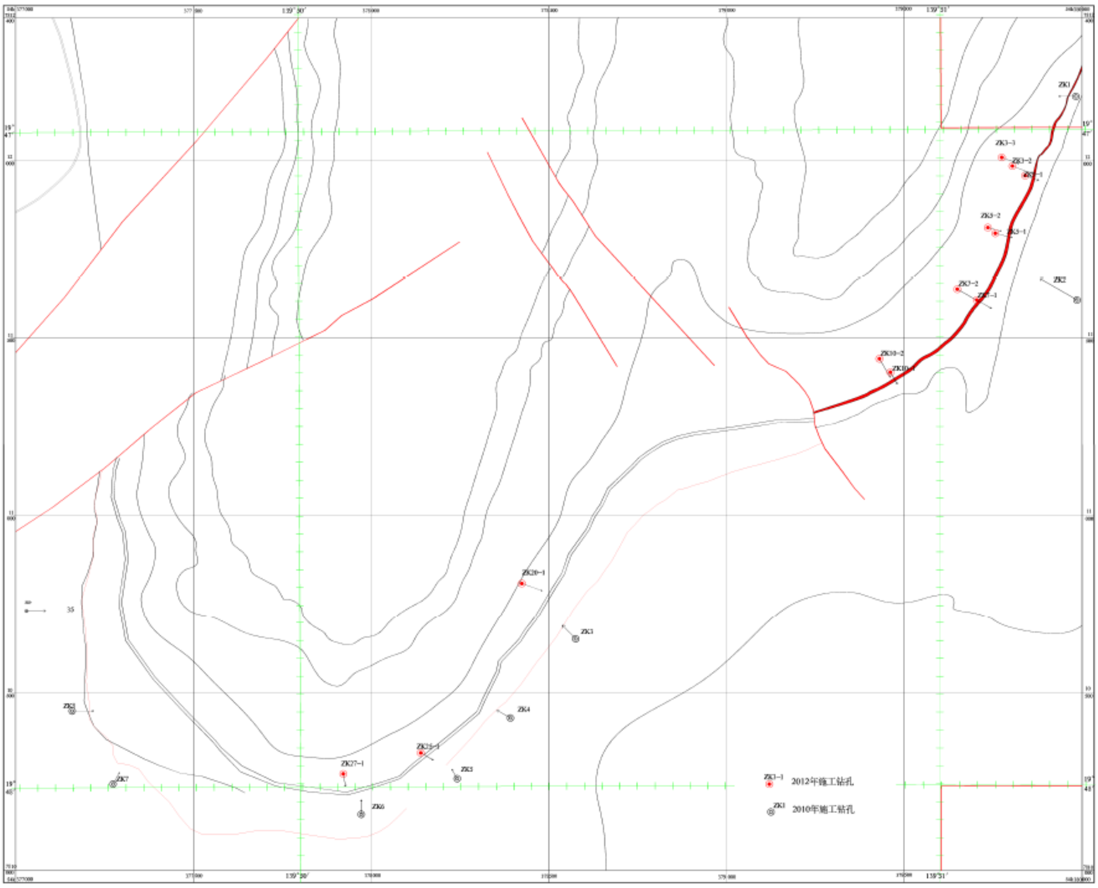
Table 2 Anomalous Copper Assays

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

[1] Intersections are downhole measurements

DIRECTORS' REPORT (Continued)

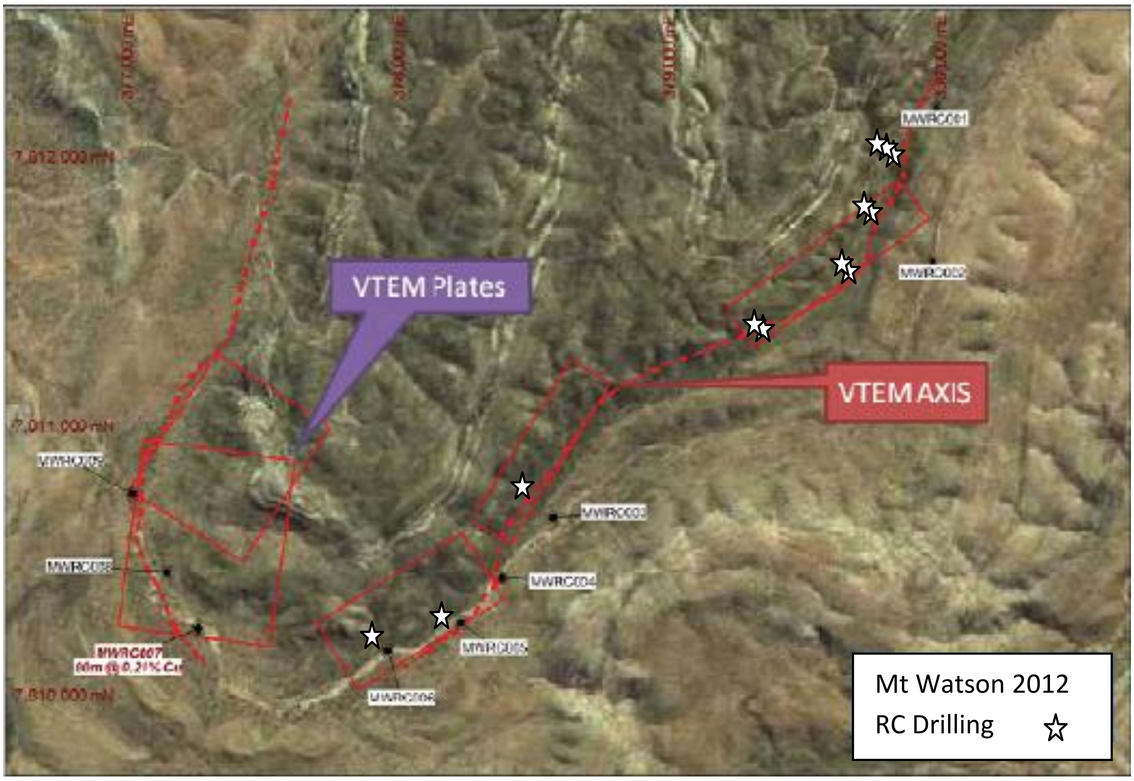
Figure 1 Location of 2012 Drilling



Scale 1:5000

Figure 2 Location of 2012 Drilling Within the Fold Structure

DIRECTORS' REPORT (Continued)



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

The information in this announcement relating to exploration results was compiled by Mr Dean Carville who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Carville is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Carville consents to the inclusion of this information in the form and context in which it appears.

Other Exploration Activities

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

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

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

DIRECTORS' REPORT (Continued)

Corporate

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

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

Ishine advises that 200,000 Options which were issued on 25 August 2010 and exercisable at $0.30 each expired on 31 December 2012 unexercised.

In November 2012 Ishine attended the International Mining conference in Tianjin, China to promote the Company's profile and showcase the project areas held in Western Australia and South Australia, with the aim of attracting potential investors.

RESULTS OF OPERATIONS

The Company made a loss from continuing operations after income tax of $1,639,128 for the half-year ended 31 December 2012 (31 December 2011: loss of $90,278).

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Deloitte Touche Tohmatsu, which is included on page 9.

Signed in accordance with a resolution of the directors

Mr Yunde Li
Chairman
Dated: 14th March 2013

Deloitte.

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

14 March 2013

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 financial statements of Ishine International 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:

(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

Darren Hall
Partner
Chartered Accountants

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	31 December 2012	31 December 2011
		$	$
Revenue		-	-
Other income	4	21,915	763,296
(Loss)/Gain on fair value of derivative		-	(94,620)
Exploration and evaluation expenditure		(132,093)	(279,361)
Depreciation expense		(9,654)	(12,745)
Consulting fees		(36,667)	(19,112)
Interest expense		-	(8)
Accounting and audit fees		(33,950)	(31,898)
Occupancy expense		(89,958)	(72,032)
Legal expenses		(1,444)	(10,462)
Impairment of exploration and evaluation expenditure	6	(613,053)	-
Impairment of financial assets	7	(456,500)	-
Other expenses	4	(287,724)	(333,336)
Loss before income tax		**(1,639,128)**	**(90,278)**
Income tax expense		-	-
Loss for the period		**(1,639,128)**	**(90,278)**
Loss attributable to members of Ishine International Resources Limited		**(1,639,128)**	**(90,278)**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net loss on available for sale financial assets		-	(166,000)
Other comprehensive loss for the period		**-**	**(166,000)**
Total comprehensive loss for the period		**(1,639,128)**	**(256,278)**
Total comprehensive loss attributable to members of Ishine International Resources Limited		**(1,639,128)**	**(256,278)**
Earnings per share (cents per share)			
- basic and diluted loss per share for the half-year		(1.88)	(0.10)

The accompanying notes form the part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 December 2012	30 June 2012
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,609,721	1,362,188
Trade and other receivables		26,861	38,730
Total Current Assets		**1,636,582**	**1,400,918**
Non-Current Assets			
Financial asset available for sale	7	373,500	522,900
Property, plant and equipment		81,201	90,855
Deferred exploration and evaluation expenditure	6	613,053	1,226,106
Total Non-Current assets		**1,067,754**	**1,839,861**
TOTAL ASSETS		**2,704,336**	**3,240,779**
LIABILITIES			
Current liabilities			
Trade and other payables		40,845	63,211
Total Current Liabilities		40,845	63,211
TOTAL LIABILITIES		**40,845**	**63,211**
NET ASSETS		**2,663,491**	**3,177,568**
EQUITY			
Contributed equity	9	7,621,235	6,839,951
Share based payment reserve		909,666	872,999
Investment revaluation reserve		-	(307,100)
Accumulated losses		(5,867,410)	(4,228,282)
TOTAL EQUITY		**2,663,491**	**3,177,568**

The accompanying notes form the part of these financial statements.

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

	Note	31 December 2012 $	31 December 2011 $
Cash flows from operating activities			
Payments to suppliers and employees		(360,944)	(443,093)
Payments for exploration activities		(178,620)	(281,359)
Interest received		4,947	959
Net cash flows used in operating activities		**(534,617)**	**(723,493)**
Cash flows from investing activities			
Farm in Contribution		-	300,000
Payments for fixed assets		-	(1,950)
Net cash flows from investing activities		**-**	**298,050**
Cash flows from financing activities			
Proceeds from issue of shares		781,284	-
Net cash flows from financing activities		**781,284**	**-**
Net increase/(decrease) in cash and cash equivalents		**246,667**	**(425,443)**
Cash and cash equivalents at beginning of period		1,362,188	2,272,175
Effect of exchange rate changes on the balance of cash held in foreign currencies		866	-
Cash and cash equivalents at end of period	5	**1,609,721**	**1,846,732**

The accompanying notes form the part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2012

	Issued Capital	Reserve	Investment Revaluation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance as at 1 July 2012	**6,839,951**	**872,999**	**(307,100)**	**(4,228,282)**	**3,177,568**
Loss for the period	-	-	-	(1,639,128)	(1,639,128)
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,639,128)**	**(1,639,128)**
Impairment on losses on available for sale financial assets transferred to profit and loss	-	-	307,100	-	307,100
Share Issue during the period	781,284	-	-	-	781,284
Share-based payments	-	36,667	-	-	36,667
Balance as at 31 December 2012	**7,621,235**	**909,666**	**-**	**(5,867,410)**	**2,663,491**

Balance as at 1 July 2011	**6,839,951**	**853,887**	**-**	**(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	-	19,112	-	-	19,112
Balance as at 31 December 2011	**6,839,951**	**872,999**	**(166,000)**	**(3,665,384)**	**3,881,566**

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 2012 was authorised for issue in accordance with a resolution of the directors on 14 March 2013.

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 2012 annual financial report for the financial year ended 30 June 2012. 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 2012. 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. However, the application of AASB 2011-9 has resulted in change to the company's presentation of or disclosure in its half year financial statements.

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 2012. 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**	**Total**
Half year ended 31 December 2012	**$**	**$**	**$**
Segment revenue	-	21,915	21,915
Segment profit/ (loss)	(745,146)	(893,982)	(1,639,128)
Segment assets	613,053	2,091,283	2,704,336
Segment liabilities	1,466	39,379	40,845

	Mineral Exploration	**Corporate and administrative**	**Total**
Half year ended 31 December 2011	**$**	**$**	**$**
Segment revenue	-	763,296	763,296
Segment profit/ (loss)	20,639	(110,917)	(90,278)
Segment assets	1,226,106	2,743,066	3,969,172
Segment liabilities	16,102	71,503	87,605

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

4. OTHER INCOME AND EXPENSES

	31 December 2012 $	31 December 2011 $
Other income		
Interest income	4,947	959
Gain arising on cessation of equity accounting	-	462,337
Farm in contribution from IGME (i)	-	300,000
Other	16,968	-
	21,915	763,296

(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.

Other expenses

Stock exchange and registry fees	(26,683)	(36,778)
Insurance expenses	(8,831)	(7,550)
Employee benefits	(137,457)	(130,199)
Administration expenses	(114,753)	(158,809)
	(287,724)	(333,336)

5. 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 2012 $	30 June 2012 $
Cash at bank and in hand	1,609,721	1,362,188
	1,609,721	1,362,188

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

6. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

		31 December 2012 $	30 June 2012 $
Cost of tenement acquisition	(i)	613,053	1,226,106
		613,053	1,226,106

(i) The balance of $1,226,106 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 year the board decided not to pursue further interest in Boomarra project and the full capitalised acquisition cost of $613,053 relating to the project was recognised as an impairment loss.

7. AVAILABLE FOR SALE FINANCIAL ASSETS CARRIED AT FAIR VALUE

	31 December 2012 $	30 June 2012 $
Available-for-sale investments carried at fair value		
Listed shares in Athena Resources Limited (i)	373,500	522,900

(i) The investment relates to 8,300,000 listed shares held in Athena Resources Limited. The fair value has been determined by reference to published quotations in an active market. During the year, a fair value loss of $456,500 was recognised as an impairment loss on the basis that it was considered a permanent diminution in value. This included $307,100 that was previously recognised in equity in prior period.

8. 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 below expenditure includes funding that will be contributed by the 8th Institute of Geology and Mineral Exploration (IGME) through their funding to the exploration activities under a farm in agreement.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

The existing tenement commitments are as follows;

	31 December 2012 $	31 December 2011 $
0 to 1 year	919,137	1,489,416
1 to 3 years	820,000	1,329,206
3 to 5 years	655,732	1,045,521
Greater than 5 years	-	-
	2,394,868	3,846,143

(b) Lease agreement

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

	31 December 2012 $	31 December 2011 $
0 to 1 year	112,815	162,906
1 to 3 years	84,611	305,261
	197,426	468,167

(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:

	31 December 2011 $	31 December 2011 $
Company secretarial fees for 90 days	10,500	9,000
	10,500	9,000

The Directors are not aware of any contingent liabilities as at 31 December 2012.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT')

9. CONTRIBUTED EQUITY

Share Capital

	31 December 2012	
	Number	$
Balance at 1 July 2012	87,300,000	6,839,951
Issue of 3,551,291 shares at $0.22 per share	3,551,291	781,284
Balance at 31 December 2012	**90,851,291**	**7,621,235**

10. EVENTS AFTER THE BALANCE SHEET DATE

No other matter or other circumstance has arisen since 31 December 2012, 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 2012.

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 2013

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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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 2012, and the condensed statement of profit or loss and other 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 10 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 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 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

Deloitte.

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 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants
Perth, 14 March 2013