



RESOURCES LIMITED

ACN 064 121 133

Half-Year Financial Report

31 December 2013

CORPORATE DIRECTORY

DIRECTORS

Lindsay Dudfield
Executive Chairman & Managing Director

Justin Mannolini
Non-Executive Director

Patricia Farr
Executive Director/Joint Company Secretary

CONTACT DETAILS

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REGISTERED OFFICE

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COMPANY SECRETARY

Ross Gregory Ledger

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BANKERS

National Australia Bank Limited
100 St Georges Terrace
PERTH WA 6000

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SOLICITORS

Steinepreis Paganin
Level 4, 16 Milligan Street
PERTH WA 6000

SHARE REGISTRY

Advanced Share Registry Pty Ltd
Unit 2, 150 Stirling Highway
NEDLANDS WA 6009
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STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
ASX Code: **JRL**
The home exchange is Perth

THE DIRECTORS' REPORT

Your Directors present the financial report for the Consolidated Entity consisting of Jindalee Resources Limited and the entity it controlled at the end of, or during, the half-year ended 31 December 2013.

DIRECTORS

The names of the Directors who were directors of Jindalee Resources Limited during the whole of the half-year and up to the date of this report are:

Lindsay Dudfield B.Sc.

Justin Mannolini B.Com/LL (Hons), LLM (Law) – appointed 30/09/2013

Patricia Farr GradCertProfAcc. GAICD

Mark Scott MSc, MComm (Hons) – resigned 01/10/2013

OPERATIONS AND FINANCIAL REVIEW

The principal activity of the Consolidated Entity is mineral exploration. The Group holds interests in tenements in Western Australia prospective for gold, base metals and iron ore through joint ventures, with the Group's interests mostly free carried to completion of a Bankable Feasibility Study. The Group also has indirect interests in uranium, gold and base metals through investee companies.

In line with the Group's business strategy, during the period management also evaluated numerous advanced projects in both Australia and overseas, with a view to securing an opportunity capable of growing the Group and creating wealth for shareholders. The acquisition of a transforming project continues to be our primary focus.

The Consolidated Entity incurred an operating loss after income tax for the half year ended 31 December 2013 of \$235,709 (half year ended 31 December 2012: operating loss after income tax of \$201,164). The Directors believe the Group is in a strong financial position to continue its exploration endeavours.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is set out on page 12 of this half-year report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



LINDSAY DUDFIELD

Executive Chairman/Managing Director

PERTH

10 March 2014

DIRECTORS' DECLARATION

In the opinion of the Directors of Jindalee Resources Limited:

- a) the financial statements, and notes set out on pages 4 to 11, 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 31 December 2013 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



LINDSAY DUDGIE

Executive Chairman/Managing Director

PERTH

10 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2013

	Notes	<i>Consolidated</i>	
		31 December 2013 \$	31 December 2012 \$
Revenue from continuing operations		109,483	158,121
Exploration expenditure		(126,015)	(119,502)
Depreciation expenses		(5,785)	(8,975)
Corporate regulatory expenses		(45,812)	(46,591)
Employee benefits expenses		(152,930)	(167,222)
Tenancy and operating		(45,269)	(36,631)
Administration expenses		(61,962)	(82,156)
Finance cost		-	(250)
Loss before income tax		(328,290)	(303,206)
Income tax benefit		92,581	102,042
Loss for the half-year after tax		(235,709)	(201,164)
Other comprehensive income			
<i>Items that may be reclassified to profit and loss:</i>			
Revaluation of investments taken to equity		430,840	114,494
Other comprehensive income for the period		430,840	114,494
Total comprehensive income/(loss) for the period		195,131	(86,670)
Loss per share attributable to the members of Jindalee Resources Ltd:			
Basic loss per share (cents per share)	5	(0.68)	(0.58)

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

Consolidated Statement of Financial Position

As at 31 December 2013

		<i>Consolidated</i>	
		31 December 2013	30 June 2013
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		5,440,975	5,755,241
Trade and other receivables		58,974	36,338
TOTAL CURRENT ASSETS		5,499,949	5,791,579
NON CURRENT ASSETS			
Available for sale financial assets	3	3,841,678	3,226,192
Property, plant & equipment		32,050	35,928
Exploration and evaluation expenditure		153,769	152,645
TOTAL NON CURRENT ASSETS		4,027,497	3,414,765
TOTAL ASSETS		9,527,446	9,206,344
CURRENT LIABILITIES			
Trade and other payables		22,997	23,095
Dividend payable		87,903	87,903
Provision for annual leave		14,765	16,058
TOTAL CURRENT LIABILITIES		125,665	127,056
NON CURRENT LIABILITIES			
Deferred tax liabilities		219,789	127,427
Provision for long service leave		8,538	8,538
TOTAL NON-CURRENT LIABILITIES		228,327	135,966
TOTAL LIABILITIES		353,992	263,021
NET ASSETS		9,173,454	8,943,323
EQUITY			
Contributed equity	4	7,207,254	7,207,254
Retained earnings		(399,890)	(164,181)
Reserves		2,366,090	1,900,250
TOTAL EQUITY		9,173,454	8,943,323

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2013

	<i>Consolidated</i>	
	31 December 2013	31 December 2012
	\$	\$
Cash flows from operating activities		
Payments in the course of operations	(278,441)	(338,766)
Payments for exploration, evaluation & development expenditure	(127,140)	(130,963)
Interest received	93,221	188,874
Interest paid	-	(250)
Net cash outflow from operating activities	(312,360)	(281,105)
Cash flows from investing activities		
Payments for property, plant & equipment	(1,906)	-
Net cash outflow from investing activities	(1,906)	-
Cash flows from financing activities		
Payment of dividend	-	(2,544)
Net cash outflow from financing activities	-	(2,544)
Net decrease in cash and cash equivalents held	(314,266)	(283,649)
Cash and cash equivalents at the beginning of reporting period	5,755,241	6,339,762
Cash and cash equivalents at the end of reporting period	5,440,975	6,056,113

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2013

	Contributed equity	Share-based payment reserve	Available for sale investments revaluation reserve	Retained earnings/accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 1 July 2013	7,207,254	1,900,250	-	(164,181)	8,943,323
Total comprehensive income for the half-year:					
Loss for the half-year	-	-	-	(235,709)	(235,709)
<i>Other comprehensive income</i>					
Revaluation of investments (net of tax)	-	-	430,840	-	430,840
Total comprehensive income /(loss) for the half-year	-	-	430,840	(235,709)	195,131
Share-based payments	-	35,000	-	-	35,000
At 31 December 2013	7,207,254	1,935,250	430,840	(399,890)	9,173,454
At 1 July 2012	7,207,254	1,900,250	303,978	889,780	10,301,262
Total comprehensive income for the half-year:					
Loss for the half-year	-	-	-	(201,164)	(201,164)
<i>Other comprehensive income</i>					
Revaluation of investments (net of tax)	-	-	114,494	-	114,494
Total comprehensive income /(loss) for the half-year	-	-	114,494	(201,164)	(86,670)
At 31 December 2012	7,207,254	1,900,250	418,472	688,616	10,214,592

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

1. Significant Accounting policies

Basis of preparation of the half-year report

This general purpose financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half yearly financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2013 and any public announcements made by Jindalee Resources Limited during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

New or revised Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. None of the new and revised standards and interpretations adopted during the period had a material impact nor did they result in any changes to the Group's presentation of, or disclosure in, its half-year financial report.

New and amended standards adopted by the Group include:

AASB 10 Consolidated Financial Statements

AASB 11 Joint Arrangements

AASB 12 Disclosure of Interests in Other Entities

AASB 119 Employee Benefits (Revised 2011)

AASB 13 Fair Value Measurement

This standard:

- a) defines fair value;
- b) sets out in a single Standard a framework for measuring fair value; and
- c) requires disclosure about fair value measurements.

AASB 13 has had no impact on the financial position and performance of the Group.

New Accounting Standards for Application in Future Periods

There are no new and revised Standards and amendments thereof and Interpretations effective for future reporting periods issued during the current report period that are relevant to the Group.

AASB 9 Financial Instruments

Addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will have no effect as the group does not hold any financial instruments.

There will be no impact on the Group's accounting for financial liabilities, as the group does not hold any financial liabilities. The Group has not yet decided when to adopt AASB 9.

2. Segment Information

Management has determined that the Group has one reportable segment, being mineral exploration in Australia. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred on the Group as a whole. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date.

The reportable segment is represented by the primary statements forming this financial report.

3. Available for Sale Financial Assets

	31 December 2013	30 June 2013
	\$	\$
Shares in listed corporations	<u>3,841,678</u>	<u>3,226,192</u>

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

4. Contributed Equity

There were no movements in the ordinary share capital of the Company in the current or comparative reporting period.

5. Earnings/(loss) Per Share

	31 December 2013	31 December 2012
	\$	\$
Loss used in calculation of earnings per share	<u>(235,709)</u>	<u>(201,164)</u>
Basic loss per share (cents per share)	(0.68)	(0.58)
Weighted average number of ordinary shares used as the denominator in calculating loss per share .	<u>34,794,775</u>	<u>34,794,775</u>

6. Contingencies and Commitments

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2013.

7. Fair Value measurements of financial instruments

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

Fair value hierarchy

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2013				
Available-for-sale financial asset	3,841,678	-	-	3,841,678
Total as at 31 December 2013	3,841,678	-	-	3,841,678
30 June 2013				
Available-for-sale financial asset	3,226,192	-	-	3,226,192
Total as at 30 June 2013	3,226,192	-	-	3,226,192

Due to their short term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

8. Events Occurring After Reporting Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

9. Related Party

Mr Mannolini was appointed a non-executive director on 30 September 2013. Mr Mannolini's directors' fees for the forthcoming financial year have been set at \$40,000 plus statutory superannuation of \$3,700 per annum. The appointment of Mr Mannolini was approved at the Annual General Meeting of the Company held on 28 November 2013. Mr Mannolini is not entitled to any termination benefit.

On 28 November 2013, Shareholders approved the granting of 500,000 unlisted Director Options to Mr Mannolini. The options were fully vested at grant date. The fair value of these options was \$35,000.

The assumptions used for the options valuation are as follows:

Exercise Price	\$0.50
Expected Life	3.6 years
Share Price at Time of Issue	\$0.20
Expected Volatility	60%
Dividend Yield	0%
Risk Free Interest Rate	3.31%
Option Value	0.070 cents

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jindalee Resources Limited and the entity it controlled during the period.



Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 10 March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jindalee Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jindalee Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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 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 Jindalee 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jindalee 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 Jindalee 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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint, light blue BDO logo.

Glyn O'Brien

Director

Perth, 10 March 2014