

**ABN 16 152 726 595**

# **SHENTON RESOURCES LIMITED**

**INTERIM FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

**INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**  
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## DIRECTORS REPORT

The directors present their report together with the financial report of SHENTON RESOURCES LIMITED (or the Company) for the six months ended 31 December 2012 and the auditor's review report thereon.

### DIRECTORS

The following persons were directors of Shenton Resources Limited from the company's incorporation on 17 August 2011 and up to the date of this report.

Jeremy David Shervington (Non-Executive Chairman)  
Bradley Gordon John Abbott (Executive Director)  
Robert Alastair St John Beeck (Non-Executive Director)

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were the exploration of mineral tenements, known as the Goongarrie Project, prospective for gold in Western Australia, details of which are set out under Review of Operations. During this period a Native Title survey was conducted and planning work to develop a drilling program was undertaken.

### REVIEW OF OPERATIONS

#### GOONGARRIE PROJECT

The Company has entered into the Goongarrie Agreement pursuant to which the Company has acquired a 100% interest in E29/746. The Board considers the Goongarrie Project to be prospective for gold mineralisation and will seek further capital in due course to explore the Project in a comprehensive way.

The Goongarrie Project comprises Exploration Licence 29/746 covering an area of 144 sq km. It is located, approximately 90km north from Kalgoorlie along the Menzies Highway. Access to the project area is gained by travelling west along the gravel access road to the Goongarrie Station.

The project lies in the northwest of the Kalgoorlie Terrain, in the northern half of the Menzies-Kambalda region of the Norseman-Wiluna Belt in the Archaean Yilgarn Craton of Western Australia. The project is almost wholly located over gneissic granitoid rocks of the Mt Pleasant-Goongarrie Complex. Mafic and ultramafic rocks possibly occur under cover in the eastern margins of the tenement in the Bardoc Tectonic Zone.

The Goongarrie-Mt Pleasant granitic dome is thought to be a pre-regional folding, domal granitoid, of granodiorite-to-monzogranite composition which was emplaced throughout the compressional phase of deformation. The granite is massive to weakly foliated and typically, is medium-to-coarse grained. The central part of the tenement contains the only outcrop in the district and is mostly "subcrop" covered by a veneer of granitic and pisolitic-laterite sands.

Granite rocks themselves are generally not significant host rocks for gold production in the Menzies-Kambalda region, though they are locally significant. The Lady Bountiful gold deposit occurring in the Liberty Granodiorite was mined in the late 1980s. More recently Golden Cities deposits located approximately 40 km north of Kalgoorlie and the adjacent Federal deposit were discovered in the late 1990's, wholly within the Scotia-Kanowna internal granitoid. Nearby to the northeast the Rainbow Dam Granodiorite hosts the new gold discovery of Mt Jewell. Other examples include Comet Vale, Dixie, Missouri and Theil Well deposits (all in the Goongarrie-Mt Pleasant region and all of which have had moderate historical gold production) located in areas where the principal gold-mineralized structures appear to be related to the forceful emplacement of granitoids.

Modern exploration by previous explorers in the Goongarrie Project area has focussed on testing for both the granite-hosted and 'structural-deformation-related-to-granite-emplacement' styles as well as placer style palaeochannel deposits, which could be considered to be locally important.

Exploration by previous explorers has included detailed 50m line spaced aeromagnetic surveys, aerial photographic surveys, and LANDSAT TM remote sensing data interpretation. Auger-soil geochemistry has been undertaken over selected areas interpreted as displaying the most favourable structural framework using aeromagnetism and geological mapping analysis. This has been followed up using aircore and RC drilling of the soil geochemistry gold anomalies.

The previous aircore (total of 152 vertical holes) and RC (one hole) drilling activities have encountered granitic basement varying from mafic, green biotite/chlorite/hornblende granitoids, probably of a more granodiorite and monzonitic composition (more calc-alkali feldspar and ferromagnesian minerals), to more quartz-rich granites (*sensu stricto*). Some holes intersected granitoids with a weak sericitic/chloritic style alteration of ferromagnesian minerals. Most holes encountered thick transported palaeochannel sequences of puggy lake clays and sand (up to 30m). The amount of recognizable residual basement saprolite varies.

## DIRECTORS REPORT

Anomalous 4metre-composite aircore intercepts have included 3417ppb Au, 1910 ppb Au and 1621 ppb Au at the transported and saprock interface. 1metre re-samples, using fire assay, returned a best value of 3m @ 2.75g/t Au, including 1m @ 5.89g/t Au.

Analysis of the detailed aeromagnetics data suggests that the anomalous drill holes are situated along structural features within the internal Mt Pleasant Goongarrie granitoid. Based on the earlier completed exploration work, the Goongarrie Project area is prospective for discovery of granite hosted gold deposits similar to the Golden Cities, 'structural- deformation-related-to-granite-emplacement' styles and also the placer style palaeochannel, which may be locally important.

### FINANCIAL POSITION

For the six months ended 31 December 2012, the company recorded a loss of \$18,980 and as at 31 December 2012 had a working capital surplus of \$339,167 and cash assets of \$344,237.

Based on minimal expenditure expected over the next 12 month period, the directors are satisfied that the going concern basis of preparation is appropriate.

### EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the 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 of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 3 and forms part of the directors' report for the six months ended 31 December 2012.

This report is made with a resolution of the directors:



**Jeremy Shervington - Chairman**

11 April 2013

**INTERIM STATEMENT OF COMPREHENSIVE INCOME  
AS AT 31 DECEMBER 2012**

	NOTE	6 months to 31 Dec 2012 \$	17 August 2011 to 31 Dec 2011 \$
Revenue	2	7,287	679
Other expenses		(26,267)	(7,523)
<b>Loss before income tax</b>		<b>(18,980)</b>	<b>(6,844)</b>
Income tax expense		-	-
<b>Loss after income tax for the period</b>		<b>(18,980)</b>	<b>(6,844)</b>
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period attributable to members of the Company</b>		<b>(18,980)</b>	<b>(6,844)</b>
<b>Earnings (loss) per share</b>			
Basic and diluted earnings (loss) per share (cents)		0.15	0.12

The interim statement of comprehensive income is to be read in conjunction with the accompanying notes.

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

	Note	31 Dec 2012 \$	30 June 2012 \$
<b>Assets</b>			
Cash and cash equivalents	3	344,237	394,078
Trade and other receivables		1,478	2,974
<b>Total current assets</b>		<b>345,715</b>	<b>397,052</b>
Mining properties	4	455,930	425,031
<b>Total non-current assets</b>		<b>455,930</b>	<b>425,031</b>
<b>Total assets</b>		<b>801,645</b>	<b>822,083</b>
<b>Liabilities</b>			
Trade and other payables	5	6,548	8,006
<b>Total current liabilities</b>		<b>6,548</b>	<b>8,006</b>
<b>Total liabilities</b>		<b>6,548</b>	<b>8,006</b>
<b>Net assets</b>		<b>795,097</b>	<b>814,077</b>
<b>Equity</b>			
Contributed equity	7	815,111	815,111
Reserves		7,500	7,500
Accumulated losses		(27,514)	(8,534)
<b>Total Equity</b>		<b>795,097</b>	<b>814,077</b>

The interim statement of financial position is to be read in conjunction with the accompanying notes.

**INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

	Note	Contributed Equity (net of costs)	Options Reserves	Accumulated losses	Total
<b>For the six months ended 31 December 2012</b>					
Opening balance at 1 July 2012	7	815,111	7,500	(8,534)	814,077
<b>Total comprehensive income of the period</b>					
Loss for the period		-	-	(18,980)	(18,980)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(18,980)	(18,980)
<b>Transactions with owners in their capacity as owners</b>					
Issue of share capital		-	-	-	-
Share issue expenses		-	-	-	-
<b>Balance as at 31 December 2012</b>		<b>815,111</b>	<b>7,500</b>	<b>(27,514)</b>	<b>795,097</b>
<b>For the period ended 31 December 2011</b>					
Opening balance at 17 August 2011		-	-	-	-
<b>Total comprehensive income of the period</b>					
Loss for the period		-	-	(6,844)	(6,844)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(6,844)	(6,844)
<b>Transactions with owners in their capacity as owners</b>					
Issue of share capital	7	864,000	-	-	864,000
Share issue expenses		(19,889)	-	-	(19,889)
Issue of options		-	7,500	-	7,500
<b>Balance as at 31 December 2011</b>		<b>844,111</b>	<b>7,500</b>	<b>(6,844)</b>	<b>844,767</b>

The interim statement of changes in equity is to be read in conjunction with the accompanying notes.

**INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

	Note	6 months to 31 Dec 2012 \$	17 August 2011 to 31 Dec 2011 \$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		(26,233)	(2,804)
Interest received		7,291	679
<b>Net cash (outflow) from operating activities</b>		<b>(18,942)</b>	<b>(2,125)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		(30,899)	(391,413)
<b>Net cash (outflow) from investing activities</b>		<b>(30,899)</b>	<b>(391,413)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital and options	7	-	871,500
Share issue costs		-	(19,889)
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>851,611</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(49,841)</b>	<b>458,073</b>
Cash and cash equivalents at the beginning of the period		394,078	-
<b>Cash and cash equivalents at the end of the period</b>		<b>344,237</b>	<b>458,073</b>

The interim statement of cash flows is to be read in conjunction with the accompanying notes.



## CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

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### 1. Reporting entity

SHENTON RESOURCES LIMITED (the Company) is a company domiciled and incorporated in Australia. The address of the Company's registered office is 813 Wellington Street, West Perth WA 6005. The interim financial report of the Company as at 31 December 2012 and for the six months ended 31 December 2012 comprises solely the Company. The Company is primarily involved in the exploration of mineral tenements, known as the Goongarrie Project, prospective for gold in Western Australia.

#### a. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company and for the year ended 30 June 2012.

This interim financial report was approved by the Board of Directors on 11 April 2013.

#### b. Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2012.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

The Company was incorporated on 17 August 2011 and thus prior period amounts in the Statement of Comprehensive Income and Cashflows are not comparable with current period figures.

#### c. Estimates

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

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report as at and for the year ended 30 June 2012.

#### d. Going concern

For the six months ended 31 December 2012, the company recorded a loss of \$18,980 and had a working capital surplus of \$339,167 and cash assets of \$344,237 as at 31 December 2012. Based on minimal expenditure expected over the next 12 month period, the directors are satisfied that the going concern basis of preparation is appropriate.

**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

**2. Revenue**

	<b>6 months to 31 December 2012 \$</b>	<b>17 August – 31 Dec 2011 \$</b>
Interest	7,287	679

**3. Cash & Cash Equivalents**

	<b>31 December 2012 \$</b>	<b>30 June 2012 \$</b>
Cheque account	44,237	15,157
Term deposits	300,000	378,921
	<b>344,237</b>	<b>394,078</b>

**4. Deferred exploration costs**

	<b>31 December 2012 \$</b>	<b>30 June 2012 \$</b>
<b>Cost</b>		
Balance at beginning of period	425,031	-
Exploration costs incurred in the period	30,899	425,031
Balance at end of period	<b>455,930</b>	<b>425,031</b>

Recovery of the carrying amount is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

**5. Trade and Other payables**

	<b>31 December 2012 \$</b>	<b>30 June 2012 \$</b>
Trade creditors	1,548	313
Accrued charges	5,000	7,693
	<b>6,548</b>	<b>8,006</b>

## CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

### 6. Segment reporting

The Company determines and presents operating segments based on the information that internally is provided to the Executive Director, who is the Company's chief operating decision maker.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company's Executive Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company engages in business activities within one segment, being the exploration and evaluation of mineral projects in Western Australia. The Company maintains an administrative office in Perth, Western Australia to support its activities.

### 7. Issued capital

#### Movement in ordinary shares

	Ordinary shares		\$	
	6 months to 31 Dec 2012	17 Aug - 31 Dec 2011	6 months to 31 Dec 2012	17 Aug - 31 Dec 2011
On issue at beginning of period	13,087,500	-	815,111	-
Issue of shares	-	13,087,500	-	864,000
Transaction costs	-	-	-	(19,889)
On issue at end of period	13,087,500	13,087,500	815,111	844,111

### 8. Events subsequent to reporting date

There has not arisen in the interval between the end of the 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 of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## DIRECTORS DECLARATION

In the opinion of the directors of SHENTON RESOURCES LIMITED ("the Company"):

1. the financial statements and notes as set out on pages 4 to 10 , are 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 interim period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; 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.

Signed in accordance with a resolution of the directors:

A handwritten signature in dark ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

**Jeremy Shervington – Chairman**

11 April 2013.

## CORPORATE INFORMATION

### DIRECTORS

Jeremy David Shervington (Non-Executive Chairman)  
Bradley Gordon John Abbott (Executive Director)  
Robert Alastair St John Beeck (Non-Executive Director)

### SOLICITORS

Jeremy Shervington  
Barrister & Solicitor  
52 Ord Street  
WEST PERTH WA 6005

### COMPANY SECRETARY

Bradley Gordon John Abbott

### BANKERS

National Australia Bank  
Capital Office  
Ground Floor, 100 St George Terrace  
Perth WA 6000

### REGISTERED OFFICE

813 Wellington Street WEST PERTH WA 6005

### AUDITORS

Somes Cooke  
1304 Hay Street  
WEST PERTH WA 6005

### WEBSITE

[Shentonresources.com.au](http://Shentonresources.com.au)

### FOR SHAREHOLDER INFORMATION CONTACT

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### FOR INFORMATION ON THE COMPANY CONTACT

#### PRINCIPAL & REGISTERED OFFICE

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