



EMERGENT RESOURCES LIMITED

ABN 68 125 323 622

Interim Financial Report

**For The Half-Year Ended
31 December 2013**

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Emergent Resources Limited
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Directors' Report

The Directors present their interim financial report of Emergent Resources Limited (the "Company") for the half-year ended 31 December 2013.

Directors

The following persons were directors of Emergent Resources Limited at any time during the half-year and up to the date of this report:

Jian-Hua Sang	<i>(Non-Executive Chairman)</i>
Wolfgang Fischer	<i>(Non-Executive Director)</i>
Patrick Burke	<i>(Non-Executive Director)</i>
Sai Kit Wong	<i>(Non-Executive Director)</i>
Andrew Tunks	<i>(Executive Director, resigned 26 November 2013)</i>

Executive and management

Patrick Burke (Company Secretary)

Review of Operations

The net loss after income tax for the half-year was \$301,760 (31 December 2012: \$1,247,104).

At the end of the half-year the Company had \$2,710,934 (30 June 2013: \$2,797,344) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$4,355,880 (30 June 2013: \$4,325,509).

New Projects

During the half-year the Company allocated part of its working capital budget to the identification and evaluation of new mineral resource opportunities in Australia and overseas. In this regard the Company reviewed a number of projects across a range of commodities and countries and is confident of securing a project in the near term that will add significant shareholder value.

The Company considers that its combination of corporate and technical expertise and significant financial backing makes it ideally placed to grow through investment and acquisition, particularly at a time when asset values have come back so sharply giving rise to a large number of attractively priced opportunities.

Beyondie Iron Project

During the half-year the Company was engaged in the updating of its resource estimation at Beyondie. This updating involves the incorporation of an additional fifteen (15) drill holes for 2,473m comprising eight (8) RC holes for 1,590m and seven (7) DD holes for 883m. This additional drilling, which was undertaken in 2009, was designed to increase confidence where there are gaps between previously drilled holes, and at depth, within the extents of the current resource area.

Extension Gold Project

The Company conducted further review of the Extension Gold Project during the half-year and intends to conduct a targeted drilling program to test gold in soil Mobile Metal Ions (MMI) anomalies generated by previous exploration conducted on its Extension Gold Project. The gold anomalies are coincident with mineralisation intersected in previous drilling of a major shear zone close to a mafic-granite contact which is prospective for gold mineralisation.

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Following preparatory works, the drilling program will comprise 800-1,000 metres of RC drilling, allowing the program to test structures at depth and across lithologies. The program will consist of 3 drilling sections to investigate the shear zone in the areas of highest MMI anomalism. Final planning for the holes is yet to be completed but it is expected that the first hole will target the up-dip expression of an 8m at 5.3g/t Au intercept in GCM hole MD5.

Asset Review

During the half-year, as part of a regular process, the Company's assets were reviewed. As a result of this asset review the decision was taken to partially surrender Beyondie Iron Project tenements E52/1806 and E52/2215. The partial surrender related to non-prospective blocks on these tenements with the result that the Company retained the full value and potential of the Project but significantly reduced overheads associated with the Project.

The information above was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Competent Persons Statement

Competent Persons Statement

The information in this report which relates to Exploration Results and Mineral Resources has all been previously reported under the 2004 edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves based on information compiled by Dr Andrew Tunks who is a Member of the Australian Institute of Geoscientists and was previously a Director of Emergent Resources Limited. Dr Tunks has sufficient experience which is 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). Dr Tunks consents to the inclusion in this announcement of the statements based on this information in the form and context in which it appears.

Significant Changes in the State of Affairs

There is no significant changes occurred during the reporting period.

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Directors' Report

Events occurring after the balance sheet 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 substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on Page 6.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 24th day of February 2014.



Jian-Hua Sang
Non-Executive Chairman

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**Auditor's Independence Declaration
To the Directors of Emergent Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Emergent Resources Limited for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 24 February 2014

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Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
Continuing Operations			
Interest income		59,412	81,003
Total revenue		59,412	81,003
Administration expenses		(79,355)	(43,345)
Employee expenses		(87,632)	(119,732)
Corporate expenses		(43,064)	(76,730)
Occupancy expenses		(15,886)	(8,285)
Marketing expenses		-	(910)
Depreciation expenses		(2,979)	(3,807)
Exploration costs written off		(9,242)	-
Impairment of exploration costs		(123,014)	(1,075,298)
Loss before income tax	3	(301,760)	(1,247,104)
Net loss for the period		(301,760)	(1,247,104)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		(301,760)	(1,247,104)
Loss per share			
Basic loss per share (cents)		(0.13)	(0.6)
Diluted loss per share (cents)		(0.13)	(0.6)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Statement of Financial Position
As At 31 December 2013

	31 December 2013	30 June 2013
	\$	\$
Current assets		
Cash and cash equivalents	2,710,934	2,797,344
Trade and other receivables	15,663	3,922
Total current assets	2,726,597	2,801,266
Non-current assets		
Property, plant and equipment	26,757	29,737
Capitalised mineral exploration and evaluation expenditure	4,355,880	4,325,509
Bonds and deposits	46,416	58,351
Total non-current assets	4,429,053	4,413,597
Total assets	7,155,650	7,214,863
Current liabilities		
Trade and other payables	42,433	44,593
Employee benefits liability	-	-
Total current liabilities	42,433	44,593
Total liabilities	42,433	44,593
Net assets	7,113,217	7,170,270
Equity		
Issued capital	4 19,375,906	19,131,199
Share based payments reserve	-	11,790
Accumulated losses	(12,262,689)	(11,972,719)
Total equity	7,113,217	7,170,270

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity
For the half-year ended 31 December 2013

	Note	Issued capital – Ordinary Shares \$	Share based payments reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2012		19,131,199	250,779	(10,754,419)	8,627,559
Loss for the period		-	-	(1,247,104)	(1,247,104)
Transfer from share based payments reserve to accumulated losses on expiry of options		-	(208,945)	208,945	-
Securities issued during the financial period - shares	4				
Movement in share based payments reserve		-	1,465	-	1,465
Costs of the issues of securities	4	-	-	-	-
Balance at 31 December 2012		19,131,199	43,299	(11,792,578)	7,381,920
Balance at 1 July 2013		19,131,199	11,790	(11,972,719)	7,170,270
Loss for the period		-	-	(301,760)	(301,760)
Securities issued during the financial period - shares	4	260,000	-	-	260,000
Transfer from share based payments reserve to accumulated losses on expiry of options		-	(11,790)	11,790	-
Costs of the issues of securities	4	(15,293)	-	-	(15,293)
Balance at 31 December 2013		19,375,906	-	(12,262,689)	7,113,217

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Statement of Cash Flows
For the half-year ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
Cash flows from operating activities		
Interest received	62,889	81,003
Payments to suppliers and employees	(232,098)	(268,718)
Net cash used in operating activities	(169,209)	(187,715)
Cash flows from investing activities		
Payments for exploration and evaluation	(161,683)	(184,582)
Net cash used in investing activities	(161,683)	(184,582)
Cash flows from financing activities		
Proceeds from the issue of securities	260,000	-
Payments for transaction costs relating to securities issues	(15,518)	-
Net cash provided by financing activities	244,482	-
Net increase/(decrease) in cash held	(86,410)	(372,297)
Cash at the beginning of the period	2,797,344	3,445,912
Cash at the end of the period	2,710,934	3,073,615

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements
For the half-year ended 31 December 2013

Note 1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the disclosure and notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Emergent Resources Limited during the interim reporting period in accordance with the 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 report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Adoption of new and revised accounting standards

In the half year ended 31 December 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2013. It has been determined by the Company that none of the new accounting standards adopted during the reporting period, have any impact, material or otherwise, and therefore no change is necessary to Company accounting policies.

New accounting standards adopted since the end of the last reporting period

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

The interim financial statements were approved by the Board of Directors on 24 February 2014.

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Notes to the Interim Financial Statements
For the half-year ended 31 December 2013

Note 2 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's only material reportable segment for the financial period has been identified as the Beyondie Project in the Mid-West region of Western Australia.

As a result the Company's only material reportable segment for the financial period has been identified as the Company as a whole and as such the reporting segment is represented by the primary statements forming these financial statements.

Note 3 Loss for the period

Loss before income tax includes the following specific expenses:

	31 December 2013	31 December 2012
	\$	\$
Depreciation:		
Office equipment	(1,932)	(2,541)
Plant and equipment	(1,047)	(1,266)
	(2,979)	(3,807)
Impairment of exploration costs	(123,014)	(1,075,298)

During the period ended 31 December 2013, the Directors resolved to impair exploration expenditure related to an area of interest within the Beyondie Iron Project that has been surrendered.

In the prior period ended 31 December 2012, the Directors resolved to impair exploration expenditure on several of the Company's areas of interest. At 31 December 2012, the total exploration and evaluation asset related solely to the Beyondie Iron Project.

Note 4 Issued capital – Ordinary fully paid shares

		31 December 2013		31 December 2013	
	<i>Issue price</i>	No.	30 June 2013	\$	30 June 2013
			No.	\$	\$
Balance at the start of the period		206,991,001	206,991,001	19,131,199	19,131,199
Share placement	<i>\$0.013</i>	20,000,000	-	260,000	-
Share issue costs		-	-	(15,293)	-
Balance at the end of the period		226,991,001	206,991,001	19,375,906	19,131,199

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Notes to the Interim Financial Statements
For the half-year ended 31 December 2013

Note 5 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2013 (31 December 2012: Nil).

Note 6 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at the reporting dates, other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

There has been no change in contingent liabilities since the last annual reporting date.

(ii) Contingent assets

There were no material contingent assets as at the reporting dates.

Note 7 Events occurring after the balance sheet 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 substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

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Directors' Declaration

The Directors of Emergent Resources Limited declare that:

- (a) the interim financial statements and notes set out on pages 7 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations; and
 - (ii) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the Company.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 24th day of February 2014



Jian-Hua Sang
Non-Executive Chairman

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Independent Auditor's Review Report To the Members of Emergent Resources Limited

We have reviewed the accompanying half-year financial report of Emergent Resources Limited ("the Company"), which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls 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 the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 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 the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 complied with the independence requirements of the Corporations Act 2001.

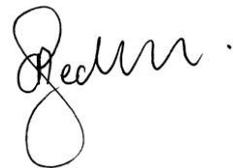
Conclusion

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 Emergent Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 24 February 2014