



Siburan
Resources
Limited

ABN 58 137 176 393

INTERIM FINANCIAL REPORT
31 December 2016

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Siburan Resources Limited (the **Company** or **Siburan**) and its subsidiaries (the **Group** or **Consolidated Entity**) for the half-year ended 31 December 2016 and the Auditor's Review Report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Mr Neil Sheather

Executive Director/ Company Secretary - appointed 28 July 2016

Mr Larry Feng Yi Li

Non-Executive Director - appointed 13 January 2017

Mr Chiong Ong Tiong

Non-Executive Director - appointed 7 November 2011

Mr Mao Feng Ding

Non-Executive Director - appointed 8 September 2015

Mr Noel Ong

Managing Director - appointed 18 May 2009; resigned 13 January 2017

Mr Kah Hui Tan

Executive Director/ Chief Financial Officer/ Company Secretary - appointed 18 May 2009; resigned 30 September 2016

OPERATING AND FINANCIAL REVIEW

Operating review

Ora Banda South Gold Project, Kalgoorlie Goldfields, Western Australia

Siburan continue to evaluate the exploration potential of the project. The company is investigating the potential of the project as the next discovery within the Kalgoorlie Goldfields.

Corporate Activities

Kah Hui Tan has resigned from the company during the reporting period. Kah Hui Tan was a founding director and he has resigned for personal reasons. The company would like to thank him for his work and dedication as an officer of the company.

Noel Ong has resigned from the company in January 2017. Noel Ong was a founding director and he has resigned for personal reasons. The company would like to thank him for his work and dedication as an officer of the company. Noel Ong will continue to act as a consultant for the company on the projects with a focus on finding more near stage mineral projects.

Neil Sheather has joined the board of the company in July 2016. Mr. Sheather is the current CEO of ASX listed financial services firm, Mejority Capital Ltd. Mr. Sheather has extensive experience in retails and institutional stockbroking, capital raisings and initial public offerings in Australia and Asia. Mr. Sheather was previously the managing director of Investorfirst Securities and CMC Markets Stockbroking and holds an MBA and several financial markets related post graduate qualifications. Mr. Sheather is also a member of the Institute of Company Directors.

Larry Feng Yi Li joined the Board of Siburan Resources to add more financial input in future projects.

Financial review

The Group incurred a loss of \$2,283,623 after income tax for the half-year (half-year 2015: loss of \$6,135,706).

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matters described in Note 11 to these financial statements, there has not arisen in the interval between the end of the half-year 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 of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, PKF Mack, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.



Neil Sheather
Director

Dated at Brisbane, Queensland Australia this 14th day of March 2017.

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SIBURAN RESOURCES LIMITED

In relation to our review of the financial report of Siburan Resources Limited for the half year ended 31 December 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack

PKF MACK

Shane Cross

SHANE CROSS
PARTNER

14 MARCH 2017
WEST PERTH,
WESTERN AUSTRALIA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2016

	Note	31 Dec 2016 \$	Half-year 31 Dec 2015 \$
Revenue and other income			
Security investment income		-	438
Total revenue and other income		-	438
Loss on security investments		(88,415)	-
Employee benefit expenses		(72,464)	(109,937)
Depreciation and amortisation expenses		(4,886)	(7,607)
Occupancy expenses		(14,673)	(13,040)
Exploration and evaluation assets written off		(1,416,090)	(118,504)
Foreign exchange loss		(167,943)	(573,845)
Fair value loss on financial assets at fair value through profit or loss	5	(424,042)	(5,168,965)
Impairment of exploration and evaluation assets		-	-
Other expenses		(83,173)	(138,656)
Results from operating activities		(2,271,686)	(6,130,116)
Finance income		510	6,159
Finance costs		(12,447)	(11,749)
Net finance cost		(11,937)	(5,590)
Loss before income tax		(2,283,623)	(6,135,706)
Income tax		-	-
Net loss for the period		<u>(2,283,623)</u>	<u>(6,135,706)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Siburan Resources Limited		<u>(2,283,623)</u>	<u>(6,135,706)</u>
 Basic and diluted loss per share (cents)		 <u>(0.33)</u>	 <u>(1.01)</u>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	31 Dec 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		686,988	695,411
Trade and other receivables		4,831	2,333
Financial assets at fair value through profit or loss	5	1,878,710	2,636,701
Other current assets		-	33,213
Total Current Assets		2,570,529	3,367,658
NON-CURRENT ASSETS			
Trade and other receivables		-	2,498
Investment in jointly controlled entities		10	10
Property, plant and equipment		34,574	39,461
Exploration and evaluation assets	6	31,113	1,391,864
Total Non-Current Assets		65,697	1,433,833
TOTAL ASSETS		2,636,226	4,801,491
CURRENT LIABILITIES			
Trade and other payables		57,142	57,718
Loans and borrowings	7	738,631	610,590
Provisions		4,491	13,598
Total Current Liabilities		800,264	681,906
NON-CURRENT LIABILITIES			
Loans and borrowings		1,378	1,378
Total Non-Current Liabilities		1,378	1,378
TOTAL LIABILITIES		801,642	683,284
NET ASSETS		1,834,584	4,118,207
EQUITY			
Contributed equity		24,537,968	24,537,968
Reserves		-	-
Accumulated losses		(22,703,384)	(20,419,761)
TOTAL EQUITY		1,834,584	4,118,207

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2016

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2016	24,537,968	-	(20,419,761)	4,118,207
Loss for the period	-	-	(2,283,623)	(2,283,623)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	-	(2,283,623)	(2,283,623)
<i>Transactions with equity holders in their capacity as equity holders:</i>				
Issue of shares	-	-	-	-
Balance at 31 December 2016	24,537,968	-	(22,703,384)	1,834,584
Balance at 1 July 2015	13,305,137	120,584	(9,821,224)	3,604,497
Loss for the period	-	-	(6,135,706)	(6,135,706)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(6,135,706)	(6,135,706)
<i>Transactions with equity holders in their capacity as equity holders:</i>				
Issue of shares	11,876,993	-	-	11,876,993
Transaction costs on share issues	(632,570)	-	-	(632,570)
Expiry of options	-	(4,975)	4,975	-
Balance at 31 December 2015	24,549,560	115,609	(15,951,955)	8,713,214

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2016

	31 December 2016 \$	Half-year 31 December 2015 \$
Cash flows from operating activities		
Cash receipts in the course of operations	-	-
Cash payments in the course of operations	(160,527)	(335,452)
Interest received	510	6,159
Interest paid	(12,447)	(11,749)
Net cash (outflow) from operating activities	<u>(172,464)</u>	<u>(341,042)</u>
Cash flows from investing activities		
Payments for investment in associates	-	(10)
Payments for property, plant and equipment	-	(5,154)
Payments for exploration and evaluation assets - capitalised costs	(41,585)	(193,780)
Payments for purchase of security investments	(105,002)	(1,676,169)
Proceeds from sales of security investments	206,371	210,435
Net cash inflow/(outflow) from investing activities	<u>59,784</u>	<u>(1,664,678)</u>
Cash flows from financing activities		
Net proceeds from the issue of shares	-	884,957
Proceeds from borrowings	105,001	955,522
Net cash inflow from financing activities	<u>105,001</u>	<u>1,840,479</u>
Net increase/(decrease) in cash and cash equivalents	(7,679)	(165,241)
Cash and cash equivalents at the beginning of the half-year	695,411	1,368,271
Foreign currency translation differences	(744)	10,370
Cash and cash equivalents at the end of the half-year	<u><u>686,988</u></u>	<u><u>1,213,400</u></u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT

Siburan Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the “Group” and individually “Group companies”). They were authorised for issue by the Board of Directors on 14 March 2017.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

The annual financial report of the Group as at and for the year ended 30 June 2016 is available upon request from the Company’s registered office or may be viewed on the Company’s website, www.siburan.com.au.

This interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with accounting standard *AASB 134 Interim Financial Reporting* and the *Corporation Act 2001* as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and considered together with any public announcements made by Siburan Resources Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new or amended standards that became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

2. CRITICAL ACCOUNTING ESTIMATES

The preparation of the half-yearly financial statements require management to make judgments, 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 these half-yearly financial statements, the significant judgments 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 financial report as at and for the year ended 30 June 2016.

3. FINANCIAL RISK MANAGEMENT

The Group’s financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION

The Group operates predominantly in the mineral exploration industry in Australia and New Zealand. The Board has determined that the Group has two reportable segments, being mineral exploration and corporate and administrative.

	Mineral Exploration \$	Corporate and administrative \$	Consolidated \$
31 December 2016			
Segment income	-	510	<u>510</u>
Segment result	(1,416,090)	(867,533)	<u>(2,283,623)</u>
31 December 2015			
Segment income	-	6,597	<u>6,597</u>
Segment result	(118,504)	(6,017,202)	<u>(6,135,706)</u>
31 December 2016			
Segment assets	55,159	2,581,067	<u>2,636,226</u>
Segment liabilities	12,554	789,088	<u>801,642</u>
30 June 2016			
Segment assets	1,437,619	3,363,872	<u>4,801,491</u>
Segment liabilities	18,490	664,794	<u>683,284</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are all held for trading and include the following:

	31 Dec 2016 \$	30 Jun 2016 \$
Current		
Australian listed equity securities	-	14,000
Malaysian listed equity securities	<u>1,878,710</u>	<u>2,622,701</u>
	<u>1,878,710</u>	<u>2,636,701</u>

Changes in fair values of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income. Total fair value loss recognised for the half-year was \$424,042 (2015: loss of \$5,168,965).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31 Dec 2016 \$	30 Jun 2016 \$
6. EXPLORATION AND EVALUATION ASSETS		
Exploration and evaluation costs carried forward in respect of areas of interest	<u>31,113</u>	<u>1,391,864</u>
Movements for the period		\$
Carrying amount at 1 July 2016		1,391,864
Transfer from prepayments		19,689
Exploration and evaluation expenditure		32,927
Exploration expenditure written off		<u>(1,413,367)</u>
Carrying amount at 31 December 2016		<u>31,113</u>

The value of the exploration, evaluation and development costs carried forward is dependent upon the continuance of the Group's rights to tenure of the area of interest, the results of future exploration, and the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

	31 Dec 2016 \$	30 Jun 2016 \$
7. LOANS AND BORROWINGS		
Current		
Short-term margin loans	<u>738,631</u>	<u>610,590</u>
Movements for the period		\$
Carrying amount at 1 July 2016		610,590
Additions - borrowing for purchase of security investments		105,002
Interest charges		4
Foreign exchange loss		<u>23,035</u>
Carrying amount at 31 December 2016		<u>738,631</u>

Margin loans were obtained to fund the purchase of listed international securities. As at reporting date, A\$532,662 (30 June 2016: A\$355,662) cash deposit was pledged as security over the loan to maintain an LVR greater than 50%. Interest is charged daily on the draw down balance and interest rate applicable as at 31 December 2016 was 5.62% p.a. (30 June 2016: 5.43% p.a.).

8. FAIR VALUE MEASUREMENT

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. FAIR VALUE MEASUREMENT (continued)

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using the above measurement hierarchy:

31 December 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Ordinary shares at fair value through profit or loss	1,878,710	-	-	1,878,710
30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Ordinary shares at fair value through profit or loss	2,636,701	-	-	2,636,701

The Group also has a number of financial instruments which are not measured at fair value, which includes trade and other receivables, trade and other payables and short-term borrowings. The carrying amounts of these financial instruments are assumed to approximate their fair values since the interest payable is either close to market rates or the instruments are short-term in nature.

9. COMMITMENTS AND CONTINGENCIES

The changes to the commitments and contingencies disclosed in the most recent annual report are specified below. Other than the changes mentioned below, all other commitments and contingencies remain consistent with those disclosed in the 2016 annual report.

Exploration project commitments

The Group has certain obligations to perform minimum exploration work on mineral leases held within Australia. These obligations may vary over time, depending on the Group's exploration programme and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at reporting date, total exploration expenditure commitments of the Group which have not been provided for in the financial statements are as follows:

	31 Dec 2016 \$	30 Jun 2016 \$
Within one year	74,583	6,250
After one year but not more than five years	211,720	-
	<u>286,303</u>	<u>6,250</u>

10. RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties during the reporting period:

	Transactions value for the half-year ended 31 Dec 2016 \$	Balance outstanding as at 31 Dec 2016 \$
Payment to Samso Pty Ltd for office rent and administration services (director-related entity of Noel Ong)	5,729	3,332

Unless otherwise stated, all transactions were made on normal commercial terms and conditions and at market rates.

11. EVENTS SUBSEQUENT TO REPORTING DATE


There has not arisen in the interval between the end of the half-year 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 of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Siburan Resources Limited:

- (a) the financial statements and notes set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Neil Sheather
Managing Director

Dated at Brisbane, Queensland Australia this 14th day of March 2017.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SIBURAN RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Siburan Resources Limited (the Company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2016, 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 summary of significant accounting policies and other explanatory information and the directors' declaration of the Company and the entities it controlled at 31 December 2016, or 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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 Company's financial position as at 31 December 2016 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Siburan Resources Limited during the half year, 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.

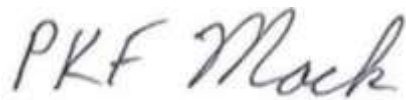
Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

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 Siburan 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 2016 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.



PKF MACK



SHANE CROSS
PARTNER

14 MARCH 2017
WEST PERTH,
WESTERN AUSTRALIA