

# **THOMSON RESOURCES LTD**

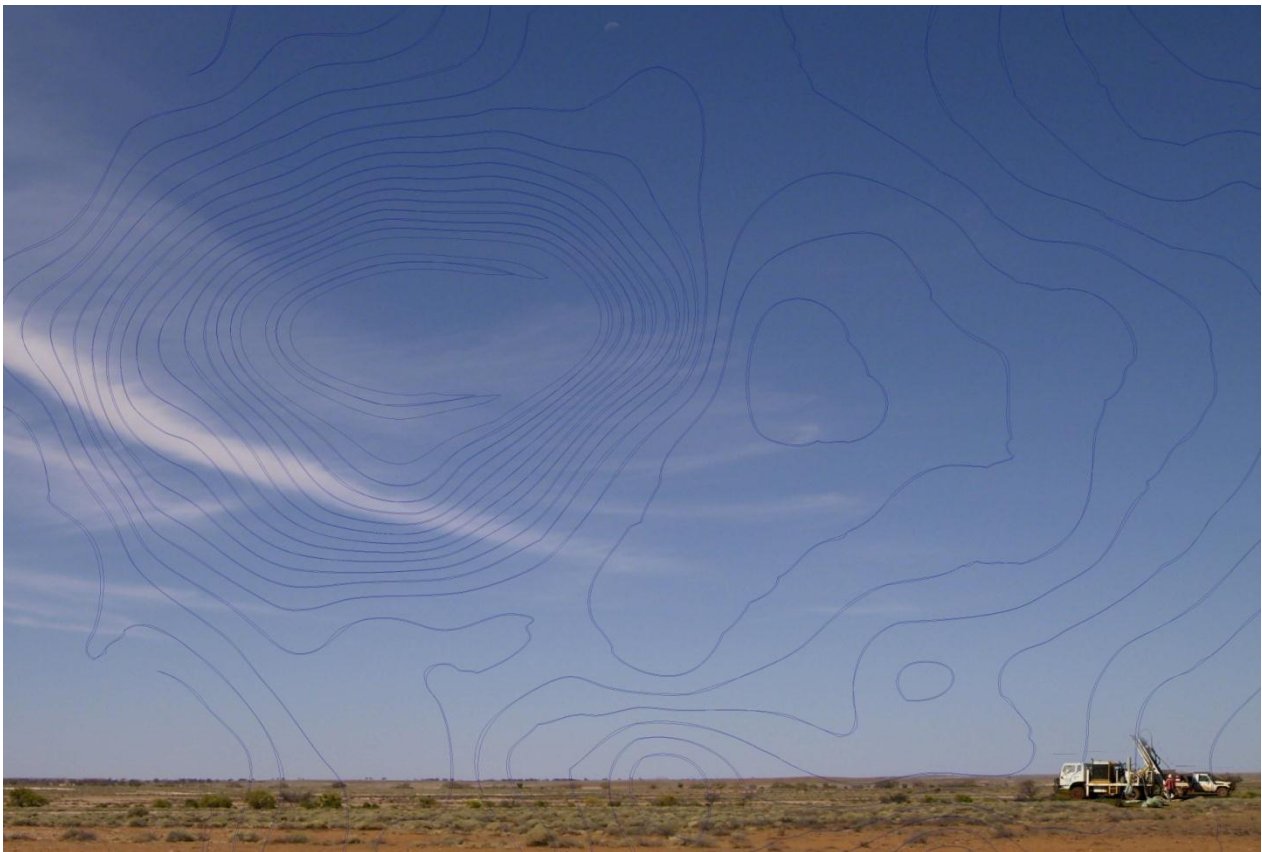
ABN 82 138 358 728

**HALF YEAR FINANCIAL REPORT**  
**31 DECEMBER 2013**

# Table of Contents

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Directors' Report .....	1
Statement of Comprehensive Income .....	2
Statement of Financial Position .....	3
Statement of Changes in Equity .....	4
Statement of Cash Flows .....	5
Notes to the Financial Statements .....	6
Directors' Declaration .....	9
Independent Auditor's Review Report .....	10
Auditor's Independence Declaration .....	12
Corporate Directory .....	13



# Directors' Report

Your directors submit their report for Thomson Resources Ltd for the half year ended 31 December 2013.

## 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.

<b>Lindsay Gilligan</b>	Non-Executive Chairman
<b>Eoin Rothery</b>	Executive Director - CEO
<b>Greg Jones</b>	Non-Executive Director
<b>Antonio Belperio</b>	Non-Executive Director

## Review and results of operations

The net results of operations after income tax expense for the half year was a loss of \$641,988 (2012: profit \$112,075).

Exploration success continued in the Thomson Fold Belt where anomalous tungsten, molybdenum and gold assays in granite at the F1 anomaly provided strong support for the company's Intrusion-Related Gold model. The geochemistry also suggested vectors towards potential mineralised positions on the flanks of the anomaly.

Significant tin potential was identified on Thomson's EL 8011, where the Wilgaroon Granite exhibits highly fractionated geochemistry; similar to the Ardlethan Granite among the granites of the Wagga Tin Belt. Building on that knowledge two new areas were applied for with tin potential – Victory Tin near Wagga Wagga and Basin One near Kempsey. The latter prospect is a tin skarn related to a granitic intrusion which hosts the Mount Jacob gold prospect.

Thomson continued to carefully manage its ground position with four tenements relinquished and four new areas applied for. Agreement was reached with Compass Resources to transfer the Cuttaburra, Louth and Warraweena tenements to Thomson. One tenement was granted and several reduced in area on renewal.

Thomson Resources received \$204,319 in January 2014 as part of the Commonwealth's research and development tax incentive. This amount was accrued at 31 December 2013.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full time employee of Thomson Resources Ltd. Mr Rothery 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the*

*matters based on his information in the form and context in which it appears.*

## Principal activities

The principal activity of the Company is exploration for the discovery and delineation of high grade base and precious metal deposits specifically within the Lachlan and Thomson Fold Belt of NSW and the development of those resources into cash flow generating businesses.

## Dividends

No dividends were paid or proposed during the period.


## Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2013 that have significantly affected or may significantly affect 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

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the Corporations Act 2001 is set out on page 12.

Signed at Sydney this 7th day of March 2014 in accordance with a resolution of the directors.



**Lindsay Gilligan**  
Chairman

# Statement of Comprehensive Income

For the half year ended 31 December 2013

	Note	31 Dec 2013 \$	31 Dec 2012 \$
<b>Revenue</b>	4	221,833	426,081
ASX and ASIC fees		(14,841)	(12,738)
Audit fees		(19,500)	(12,500)
Contract administration services		(39,778)	(44,283)
Depreciation expense		(8,992)	(11,950)
Employee costs (net of costs recharged to exploration projects)		(76,806)	(136,944)
Exploration expenditure expensed		(651,565)	(7,229)
Insurance costs		(9,119)	(7,292)
Marketing		(4,749)	(5,565)
Rent		(14,400)	(14,400)
Share based payments		-	(8,925)
Staff recruitment costs		-	(23,400)
Other expenses from ordinary activities		(24,071)	(28,780)
<b>Profit/ (loss) before income tax expense</b>		(641,988)	112,075
Income tax expense		-	-
<b>Profit/ (loss) after income tax expense</b>		(641,988)	112,075
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Other comprehensive income/(loss) for the period</b>		-	-
<b>Total comprehensive income/(loss) for the period attributable to members of Thomson Resources Ltd</b>		(641,988)	112,075
Basic gain/(loss) per share (cents per share)	8	(0.89)	0.16
Diluted gain/(loss) per share (cents per share)	8	(0.89)	0.16

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

# Statement of Financial Position

As at 31 December 2013

	Note	31 Dec 2013 \$	30 Jun 2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	996,560	1,521,070
Receivables		259,609	81,472
Tenement security deposits		105,000	10,000
<b>Total current assets</b>		<b>1,361,169</b>	<b>1,612,542</b>
<b>Non-current assets</b>			
Tenement security deposits		70,000	125,000
Property, plant and equipment		23,576	32,568
Deferred exploration and evaluation expenditure	6	3,148,151	3,486,232
<b>Total non-current assets</b>		<b>3,241,727</b>	<b>3,643,800</b>
<b>Total assets</b>		<b>4,602,896</b>	<b>5,256,342</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		45,584	57,619
Provisions		29,145	50,673
<b>Total current liabilities</b>		<b>74,729</b>	<b>108,292</b>
<b>Non-current liabilities</b>			
Provisions		17,429	15,324
<b>Total non-current liabilities</b>		<b>17,429</b>	<b>15,324</b>
<b>Total liabilities</b>		<b>92,158</b>	<b>123,616</b>
<b>Net assets</b>		<b>4,510,738</b>	<b>5,132,726</b>
<b>EQUITY</b>			
Contributed equity	9	7,120,725	7,100,725
Accumulated losses		(3,035,042)	(2,393,054)
Reserves		425,055	425,055
<b>Total equity</b>		<b>4,510,738</b>	<b>5,132,726</b>

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

# Statement of Changes in Equity

For the half year ended 31 December 2013

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
<b>At 1 July 2012</b>	7,049,625	(1,874,296)	536,530	5,711,859
Profit/(loss) for the period	-	112,075	-	112,075
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	112,075	-	112,075
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital, net of transaction costs	-	-	-	-
Cost of share based payments taken directly to equity	-	-	8,925	8,925
Expired option value transferred to Accumulated Losses	-	120,400	(120,400)	-
<b>At 31 December 2012</b>	7,049,625	(1,641,821)	425,055	5,832,859

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
<b>At 1 July 2013</b>	7,100,725	(2,393,054)	425,055	5,132,726
Profit/(loss) for the period	-	(641,988)	-	(641,988)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	(641,988)	-	(641,988)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital, net of transaction costs	20,000	-	-	20,000
Cost of share based payments taken directly to equity	-	-	-	-
Expired option value transferred to Accumulated Losses	-	-	-	-
<b>At 31 December 2013</b>	7,120,725	(3,035,042)	425,055	4,510,738

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

# Statement of Cash Flows

For the half year ended 31 December 2013

	31 Dec 2013	31 Dec 2012
Note	\$	\$
<b>Cash flows from operating activities</b>		
Payment to suppliers and employees	(195,760)	(300,793)
Interest received	20,664	50,218
R&D tax concession offset	-	349,243
Net cash flows (used in) operating activities	(175,096)	98,668
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	-	(9,789)
Expenditure on mining interests (exploration)	(309,414)	(560,734)
Tenement security deposits (paid)/recovered	(40,000)	-
Net cash flows (used in) investing activities	(349,414)	(570,523)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Equity raising expenses	-	-
Net cash flows from financing activities	-	-
<b>Net increase (decrease) in cash held</b>	(524,510)	(471,855)
Add opening cash brought forward	1,521,070	2,117,455
<b>Closing cash carried forward</b>	5 996,560	1,645,600

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

# Notes to the Financial Statements

For the half year ended 31 December 2013

## 1. Corporate information

The financial report of Thomson Resources Ltd (the Company) for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 7 March 2014. Thomson Resources Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange using the ASX code TMZ.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

## 2. Summary of significant accounting policies

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of TMZ as at 30 June 2013.

It is also recommended that the half year financial report be considered together with any public announcements made by TMZ during the half year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

### Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete report period.

### Significant accounting policies

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2013.

Management has reviewed and assessed the new accounting standards effective 1 July 2013 and these have been deemed to be not applicable to the Company.

## 3. Financial report by segment

The operating segments identified by management are as follows:

- (a) Exploration projects funded directly by Thomson Resources Ltd ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 6 of the Half Year Report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 6 of the Half Year Report.

Financial information about each of these tenements is reported to the Chief Executive Officer on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- ▶ Interest revenue
- ▶ Corporate costs
- ▶ Depreciation and amortisation of non-project specific property, plant and equipment

The Company's accounting policy for reporting segments is consistent with that disclosed in Note 2.



# Notes to the Financial Statements

For the half year ended 31 December 2013

## 4. Revenue

	31 Dec 2013 \$	31 Dec 2012 \$
Consulting fees	-	32,887
R&D tax concession offset	204,319	349,243
Interest received	17,514	43,951
	<b>221,833</b>	<b>426,081</b>

## 5. Cash and cash equivalents

	31 Dec 2013 \$	30 Jun 2013 \$
Cash at bank and on hand	328,464	507,631
Short term deposits	668,096	1,013,439
	<b>996,560</b>	<b>1,521,070</b>

## 6. Deferred exploration and evaluation expenditure

	31 Dec 2013 \$	30 Jun 2013 \$
Costs brought forward	3,486,232	3,576,851
Costs incurred during the period	313,484	1,270,473
Expenditure written off during the period	(651,565)	(1,361,092)
Costs carried forward	<b>3,148,151</b>	<b>3,486,232</b>

## 7. Contingent assets and liabilities

The Company has provided guarantees totalling \$105,000 in respect of exploration tenements. These guarantees in respect of mining tenements are secured against short term deposits with a bank. The Company does not expect to incur any material liability in respect of the guarantees.

## 8. Earnings per share

	31 Dec 2013 \$	31 Dec 2012 \$
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(641,988)	112,075
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	71,698,543	70,179,500
	<b>Cents per share</b>	<b>Cents per share</b>
Basic earnings (loss) per share (cents per share)	(0.89)	0.16
Diluted earnings (loss) per share (cents per share)	(0.89)	0.16

# Notes to the Financial Statements

For the half year ended 31 December 2013

## 9. Contributed equity

### Share capital

71,827,701 fully paid ordinary shares (30 June 2013: 71,351,511)  
Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### Share issue costs

31 Dec 2013	30 Jun 2013
\$	\$
7,845,000	7,825,000
(724,275)	(724,275)
7,120,725	7,100,725

### Movements in ordinary shares on issue

#### At 31 December 2012

Shares issued

#### At 30 June 2013

Shares issued

#### At 31 December 2013

Number	\$
70,179,500	7,773,900
1,172,011	51,100
71,351,511	7,825,000
476,190	20,000
71,827,701	7,845,000

### Movements in options on issue

#### At 31 December 2012

#### At 30 June 2013

#### At 31 December 2013

Number	\$
6,500,000	-
6,500,000	-
6,500,000	-

An additional 5,850,000 options are on issue under Share based payments (Note: 10).

## 10. Reserves (share based payments)

### Movements in share based payments

#### At 31 December 2012

#### At 30 June 2013

#### At 31 December 2013

Number	\$
5,850,000	425,055
5,850,000	425,055
5,850,000	425,055

## 11. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2013 that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

# Directors' Declaration



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In accordance with a resolution of the directors of Thomson Resources Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the Company's financial position as at 31 December 2013 and the performance for the half year ended on that date; and
  - (ii) Complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (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.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Lindsay Gilligan".

**Lindsay Gilligan**  
Chairman

Sydney, 7 March 2014

# Independent Auditor's Review Report



partners  
 O H Barnes FCA  
 A J Dowell CA  
 B Kolevski CPA (Affiliate ICAA)  
 M Gelouzis CA  
 A N Fraser CA

associate  
 M A Nakkan CA

consultant  
 R H B Boulter FCA

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## Independent Auditor's Review Report

To the members of Thomson Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Thomson Resources Limited (the company), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and 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.

### 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 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 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 Thomson 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.



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# Independent Auditor's Review Report

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## 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 Thomson Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 Thomson 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*.

BDJ Partners  
Chartered Accountants



.....  
Anthony J Dowell  
Partner

7 March 2014



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# Auditor's Independence Declaration



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## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Thomson Resources Limited

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2013 there have been:

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

BDJ Partners  
Chartered Accountants



Anthony J Dowell  
Partner

6 March 2014



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# Corporate Directory

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## Thomson Resources Ltd

ABN 82 138 358 728

### Directors

Lindsay Gilligan	Non-Executive Chairman
Eoin Rothery	Executive Director - CEO
Gregory Jones	Non-Executive Director
Antonio Belperio	Non-Executive Director

### Company Secretary

Ivo Polovineo

### Registered and Administration Office

Level 1, 80 Chandos Street  
St Leonards, NSW 2065  
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Telephone: 02 9906 6225  
Facsimile: 02 9906 5233  
Website: [www.thomsonresources.com.au](http://www.thomsonresources.com.au)  
E-mail: [tmo@thomsonresources.com.au](mailto:tmo@thomsonresources.com.au)

## Share Registry

Boardroom Pty Limited  
GPO Box 3993  
Sydney, NSW 2001  
Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## Auditors

BDJ Partners

## Bankers

Macquarie Bank  
BankWest  
Commonwealth Bank of Australia

## Stock Exchange Listing

Listed on Australian Securities Exchange Limited  
ASX Code: TMZ