

MACPHERSONS

MACPHERSONS RESOURCES LIMITED

ABN 98 139 357 967

Interim Financial Report

31 December 2013

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DIRECTORS' REPORT

Your directors submit the financial report of MacPhersons Resources Limited and its controlled entities ("Consolidated Entity" or "Group") for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Ashok Parekh	Chairman
Morrie Goodz	Managing Director
Jeffery Williams	Non-Executive Director

Review of Operations

During the half year ended 31 December 2013 the Company completed two major drilling campaigns and upgrades to the Mineral Resource Statements both yielding significant increases in contained mineral resources and upgrades to the highest level of resources' classification in accordance with the JORC Code (2012).

The Company has also completed six open pit optimisation studies, two underground mine studies and issued the contract to Independent Engineering Consultants, Sedgman Limited to complete the Bankable Feasibility Study for the Nimbus-Boorara project, which are due for completion in Mid-2014.

During the year, the Company completed a plant flowsheet and a feasibility study on the expanded plant construction, and also had a Peer Review Audit carried out by Independent Geological & Mining Consultants, SRK Consulting.

Highlights included:

- Nimbus Resource Upgrade in both size and classification:
 - ❖ up to 28% increase to 4.9Mt @ 149g/t Ag-Eq* for 23.4 million ounces (Moz) Silver-Eq*, includes:
 - 6% increase to 12.4 million ounces silver;
 - 33% increase to 65,000 tonnes zinc; and
 - 40% increase to 46,000 ounces gold in the silver deposit.
- 54% increase in the gold resource to 458,700 ounces gold outside the silver deposits (includes the Boorara resource increase and Coolgardie remained unchanged - details are given below);
- Nimbus Maiden Ore Reserve Statement
 - ❖ 1.1Mt @ 297g/t Ag-Eq* Recovered for 10.5 million ounces (Moz) Silver-Eq*;
- Completed Independent Technical Review with key findings:
 - ❖ No material risks or fatal flaws were identified;
 - ❖ Independent report did not identify any fatal flaws in the Mineral Resource estimation;
 - ❖ Nimbus and Boorara remain open at depth and along strike, and present opportunities for Resource and life of mine extension; and
 - ❖ The underground Exploration Target at Nimbus ranges between one and three times larger than the existing Nimbus underground Ore Reserve (see full Ore Reserve statement issued 03rd December 2013).
- Completed the Nimbus and Boorara feasibility modelling and appointed engineering manager, Sedgman Limited to complete Bankable Feasibility Study (BFS);
- Appointed Corporate Advisors (Argonaut) to assist in completion of the funding for the project development;
- 918m Deep EIS hole is completed with highlights being:
 - ❖ Potential to have a 3-fold depth extension to the Nimbus deposit;



- ❖ Intersections of multiple zones of silver-zinc sulphide and quartz-fuchsite mineralisation up to 600m deeper and down-plunge from existing resources;
- ❖ Deep EIS hole intersects new copper-zinc sulphide mineralisation; and
- ❖ Identified new near surface vent 250m east of the East Pit cutback (70m below surface) with breccia sulphide zone.

Note: Full Mineral Resource and Ore Reserve tabulations are given in the respective sections on Nimbus and Boorara in this report.

Note*: Silver Equivalent is defined on the following pages with respect to formulae and parameters and in the case of the ore reserve takes in all mining, processing, smelting and marketing costs, dilution and recoveries; in the various tables it is abbreviated as Ag-Eq*, silver-eq, and Ag equivalent.

Nimbus Mineral Resource Statement

Zone	Category	Tonnes (t)	Ag Grade (g/t)	Ag Equivalent (g/t)	Ag Metal (Moz)	Ag Metal Equivalent* (Moz)
Silver Zone	Measured	1,041,000	112	219	3.7	7.3
	Indicated	2,502,000	103	168	8.3	13.5
	Sub Total	3,543,000	105	183	12.0	20.9
Gold Zone	Inferred	1,333,000	10	59	0.4	2.5
Total		4,876,000	79	149	12.4	23.4

Note* - Silver equivalent (Ag-Eq) is calculated using metal credits only in blocks carrying economic grades of silver and/or zinc and/or gold. $Ag-Eq = Ag + (Zn \times 28.852) + (Aux \times 62.626) + (Hg \times 0.15)$ (see note beneath Table 2 for parameters).

The model is based on prices set as of 1 July 2013 (both spot market prices and price ratios have been consistently higher since July 2013, thereby providing more upside to these calculations).

Note - Differences in total values may occur due to rounding.

Nimbus Ore Reserve Statement

As at July 2013	Proved Reserves					Probable Reserves					Total Reserves				
	Ore tonnes	Grade Recovered	Increment	Total	Units	Ore tonnes	Grade Recovered	Increment	Total	Units	Ore tonnes	Grade Recovered	Increment	Total	Units
NIMBUS															
Silver	705,400	166.7	g/t	3,781,400	oz Ag	420,300	263.1	g/t	3,556,200	oz Ag	1,125,700	202.7	g/t	7,337,600	oz Ag
Zinc	705,400	1.96	%	13,800	tonnes Zn	420,300	4.13	%	17,400	tonnes Zn	1,125,700	2.77	%	31,200	tonnes Zn
Gold	705,400	0.13	g/t	2900	oz Au	420,300	0.07	g/t	1000	oz Au	1,125,700	0.09	g/t	3,900	oz Au
Mercury	705,400	69.9	g/t	49	tonnes Hg	420,300	56.8	g/t	24	tonnes Hg	1,125,700	64.9	g/t	73	tonnes Hg
Total Silver - Eq	705,400	242	g/t	5,487,200	oz Ag-Eq	420,300	396	g/t	5,347,400	oz Ag-Eq	1,125,700	298	g/t	10,834,600	oz Ag-Eq

Note*: Silver equivalent (Ag-Eq) is calculated using metal credits only in blocks carrying economic grades of silver and/or zinc. The reported grade is Ag-Eq recovered grade, meaning that it has taken into consideration mining dilution, mining losses, mining recoveries and pillar allocation, metallurgical recoveries, refining and smelting losses and charges, marketing costs, and royalties. Full details of the Nimbus reserve and resource calculations including parameters for silver equivalent calculations as per JORC Code (2012) are contained in the Company's announcement dated 3 December 2013.

Note - Differences in total values may occur due to rounding.

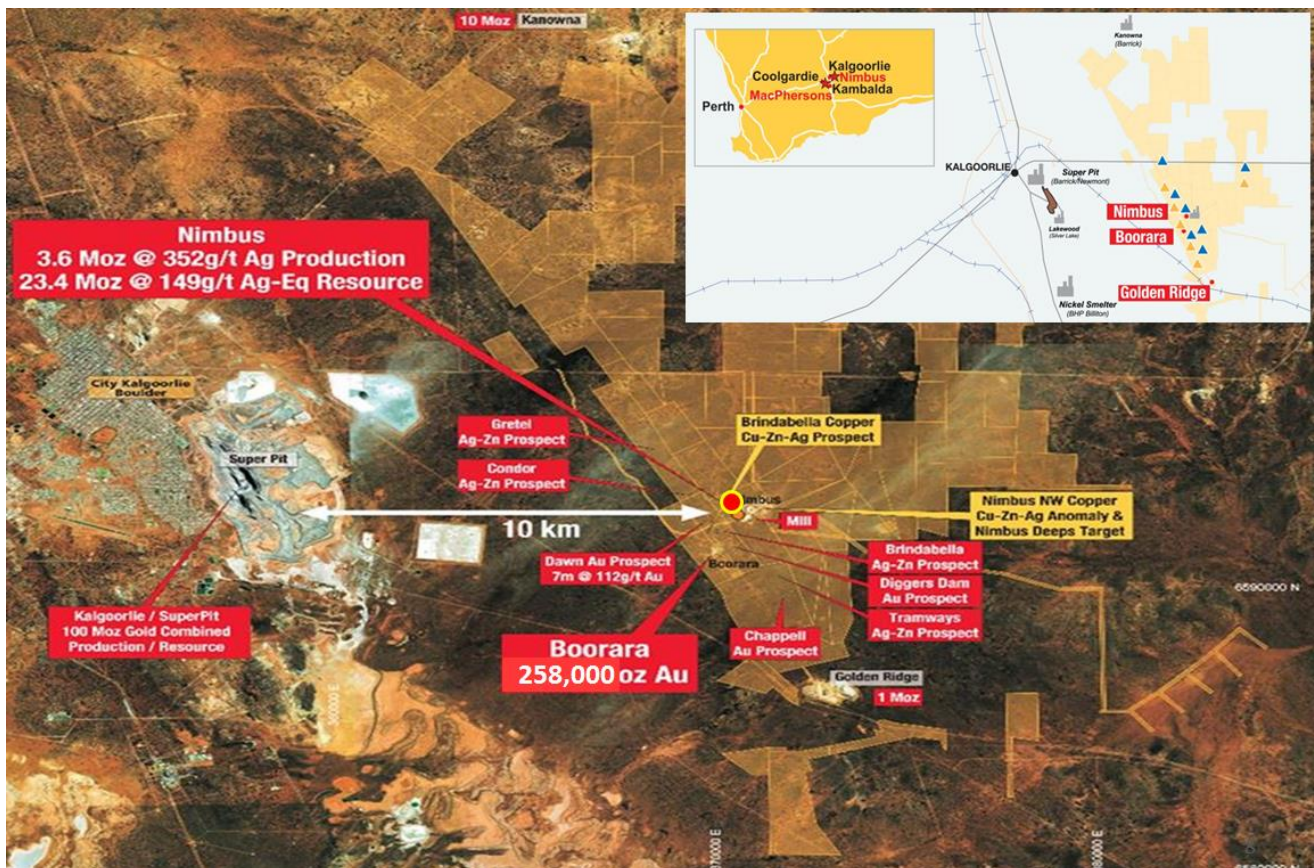


Figure 1 – the Nimbus-Boorara projects area, 10km east of the Kalgoorlie Superpit, showing the Nimbus Mill site and various advanced exploration areas within 5km of the Nimbus mill which form part of the Company’s project pipeline.

Note: Refer to page 6 for reserve/resource details. Full details of the Nimbus reserve and resource calculations including parameters for silver equivalent calculations as per JORC Code (2012) are contained in the Company’s announcement dated 3 December 2013. In the Company’s opinion, all metals included in the equivalent calculation have reasonable potential to be recovered and sold. Full details of the Boorara gold resource are contained in the Company’s announcement dated 7 August 2013.

Nimbus Project

Nimbus produced 3.6 million ounces of silver at an average grade of 352 g/t between 2003 and 2007 from two open pits. The project is part of a VHMS deposit with 5 lenses of silver-gold-zinc-copper-lead massive sulphide mineralisation.

Since acquiring the Nimbus project, MacPhersons has completed approximately 100,000m of drilling and has defined a JORC resource in excess of 23.4 million ounces of silver-equivalent which includes 12.4 million ounces of silver and an addition 10.9 million ounces of silver-eq* derived from gold-zinc-mercury credits.

The geological resource model continues to be further developed and is now based on more than 30 mineralisation lenses at Nimbus and several other new and known prospects identified within 5km of the Nimbus processing plant, adding further robustness to the future project pipeline.

The mineralisation is open along strike and at depth and offers great opportunity for resource growth. The current model is calculated only to a depth of ~250m, however drilling has now extended the mineralisation to greater than the 850m depth. This provides for an exploration target one to three times the current size of the Nimbus Deposit.

Drilling in Quarter 4 2012, intersected the highest grade mineralisation found to date which was 28m @ 896g/t silver which included a zone of 17m @ 1434g/t silver, plus 26.3% zinc and 4.7% lead. Follow-up drilling in Q4 – 2013 drilled the potential depth extension of this zone at the 514 – 541m depth. This zone is now call Lens 311.

Subsequent to the reporting period, diamond drillhole NBDH011 intersected Lens 311 over 40m away from the nearest drillhole, where the drillcore showed large (up to 4cm) silver nuggets, and both copper and zinc mineralisation.

Detailed JORC Code (2012) Table 1 listings are included in the MacPhersons ASX release dated 28 February 2014.

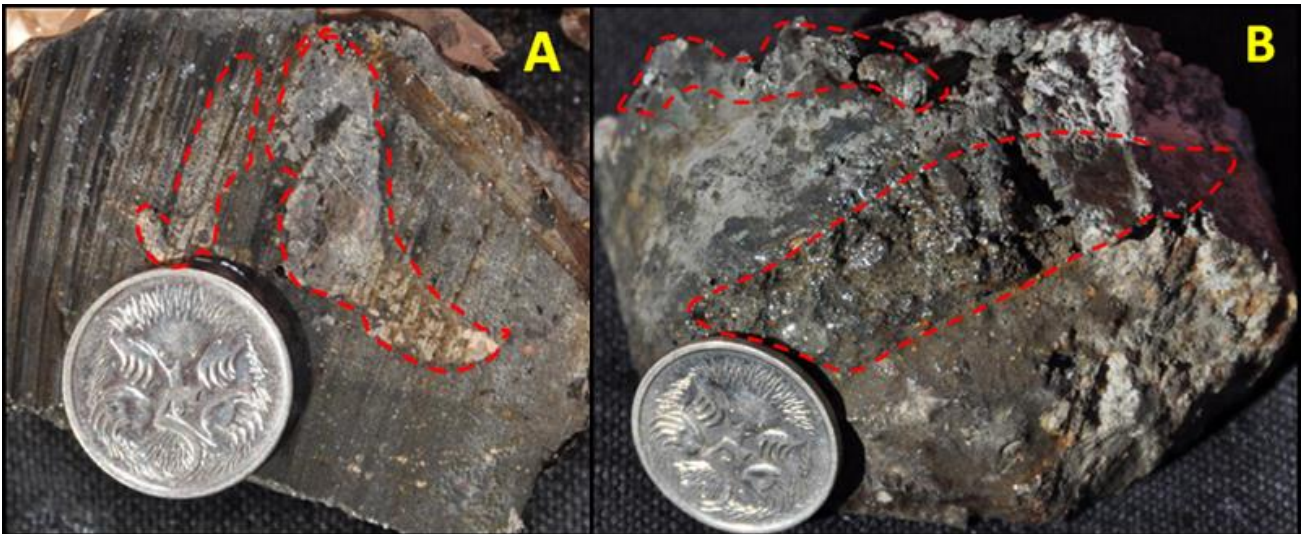


Figure 2 – Native Silver nuggets at 180.6m downhole in NBDH011 (HQ-size drillcore). There are hundreds of pin- to matchhead-sized grains of visible native silver (shiny spots in both photos), in addition to the individual silver nuggets that are centimetres in length (dashed red outlines). Both wire- and dendritic-silver was also observed.

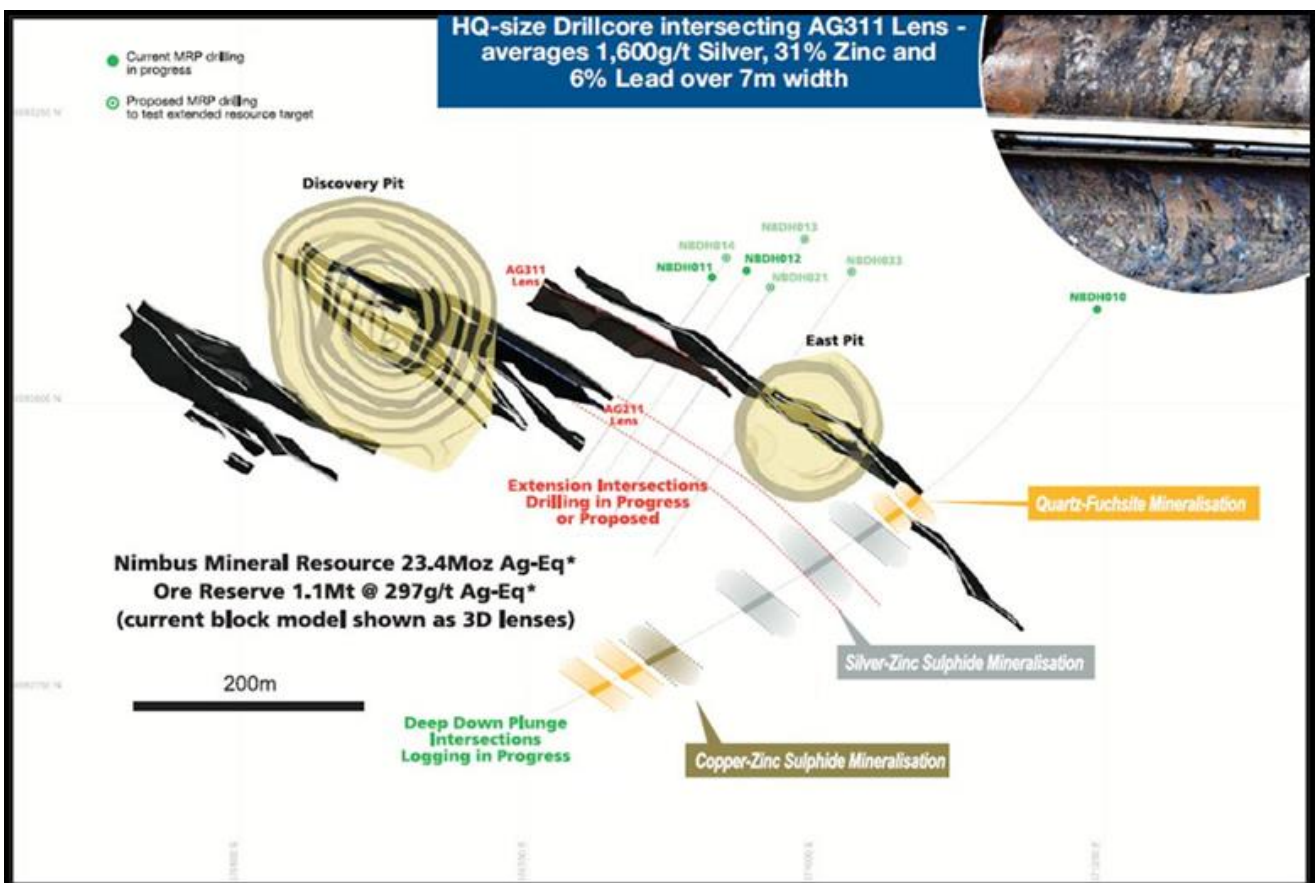


Figure 3 – Deep down plunge intersections of silver-zinc and copper-zinc sulphide zones intersected between 350m and 850m downhole (HQ core) of NBDH010 are **up to 600m down-plunge of any previous drilling**. NBDH010 was drilled during the reporting period.

Drillcore shown is from NBDH024 intersection from 160m (**7m @ 1600g/t Ag, plus 31% zinc, plus 6% lead**) in AG311 Lode where the native silver intersection in NBDH011 has been documented in the ASX release dated 28 February 2014 (see that ASX release for detailed JORC Table 1 Schedule).

Current drillholes NBDH013 and NBDH021 (just commenced) are shown on this plan.

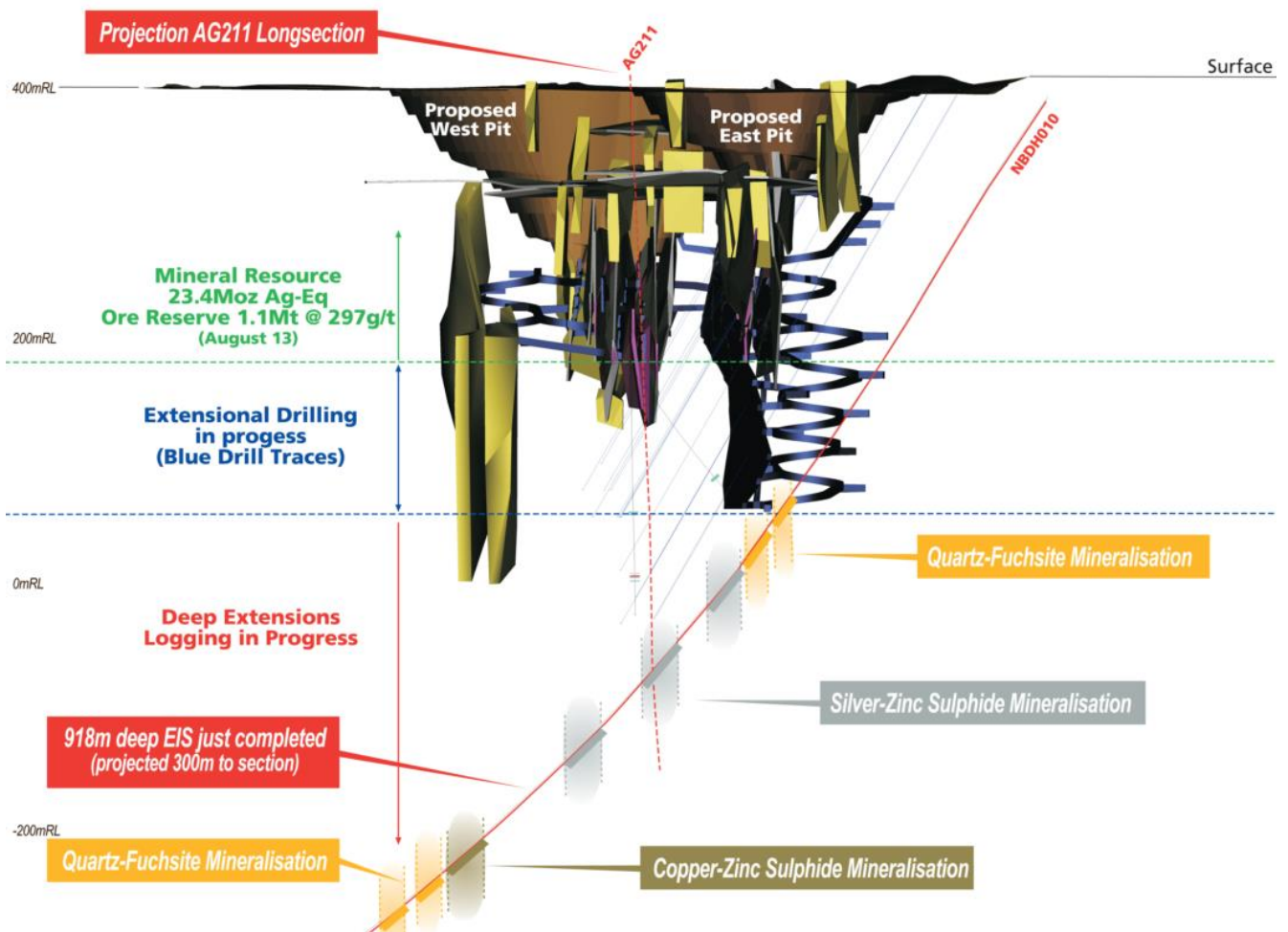


Figure 4 – Drilling currently in progress at Nimbus (as well as 918m deep hole NBDH010 drilled during the reporting period. NBDH010 is up to 600m downplunge of the Nimbus mine and intersects sulphide mineralisation that may be contiguous with Nimbus resource and provides upside to the underground mine life.

Diamond drillholes NBDH011, 012, 013, and 021 are the blue traces marked as extensional drilling in progress, however their main purpose is to provide the drillcore samples for testwork to sign off the Bankable Feasibility Study parameters.

Drill Collar details for current drillholes:

Hole ID	Easting (m)	Northing (m)	RL (m)	Length (m)	Azi	Dip
NBDH010	371246	6593081	394	918	220	-55
NBDH011	370911	6593110	399	399	220	-60
NBDH012	370941	6593116	398	429	223	-60
NBDH013	370991	6593143	398	475	215	-60
NBDH021	370962	6593101	399	400	223	-60

Boorara Gold Project

During the reporting period a 10-hole diamond drilling program and a geological review of the Boorara gold deposit was completed and the mineral resource was increased by 170% to 258,000 ounces of gold.

Boorara Mineral Resource Statement

Category	Oxidation	Volume (m3)	Tonnes (t)	Au (ppm)	Au (oz)
Measured	Oxide	310,000	640,000	1.13	23,000
	Transitional	160,000	390,000	1.07	14,000
	Fresh	30,000	90,000	1.02	3,000
	Sub Total	500,000	1,120,000	1.10	40,000
Indicated	Oxide	500,000	1,030,000	1.06	35,000
	Transitional	480,000	1,140,000	1.08	40,000
	Fresh	520,000	1,450,000	1.07	50,000
	Sub Total	1,500,000	3,630,000	1.07	125,000
Inferred	Oxide	80,000	170,000	1.39	7,000
	Transitional	130,000	310,000	1.14	11,000
	Fresh	770,000	2,150,000	1.10	76,000
	Sub Total	980,000	2,620,000	1.13	95,000
Grand Total		2,980,000	7,370,000	1.09	258,000

Note: Full details of the Boorara gold resource are contained in the Company's announcement dated 7 August 2013.

Boorara Pit Optimisations

During the reporting period, pit optimisation studies were carried out which yielded a 4 open pit mine model which was subject to column testwork to convert to ore reserves.

This testwork had been successfully completed subsequent to the reporting period with recoveries exceeding modelled parameters. At the time of preparing this report the columns were still being flushed. An update and ore reserve statement is planned for the first six months of 2014.

The resource remains open at depth and along strike. The Directors believe the opportunity exists for further extensions of all gold and polymetallic deposits.

During the first six months of 2014, the Company intends to drill a series of diamond drill holes to confirm and extend the mineralisation deeper and also provide core inputs to complete the feasibility study including geotechnical pit wall design work and further metallurgical test work on fresh primary ore. To date most of the proposed Boorara mining will be of oxide material where historical testwork suggests a 95% gold recovery from a standard gravity / CIP process plant, and better than 93% recovery from the existing Nimbus silver plant flowsheet.

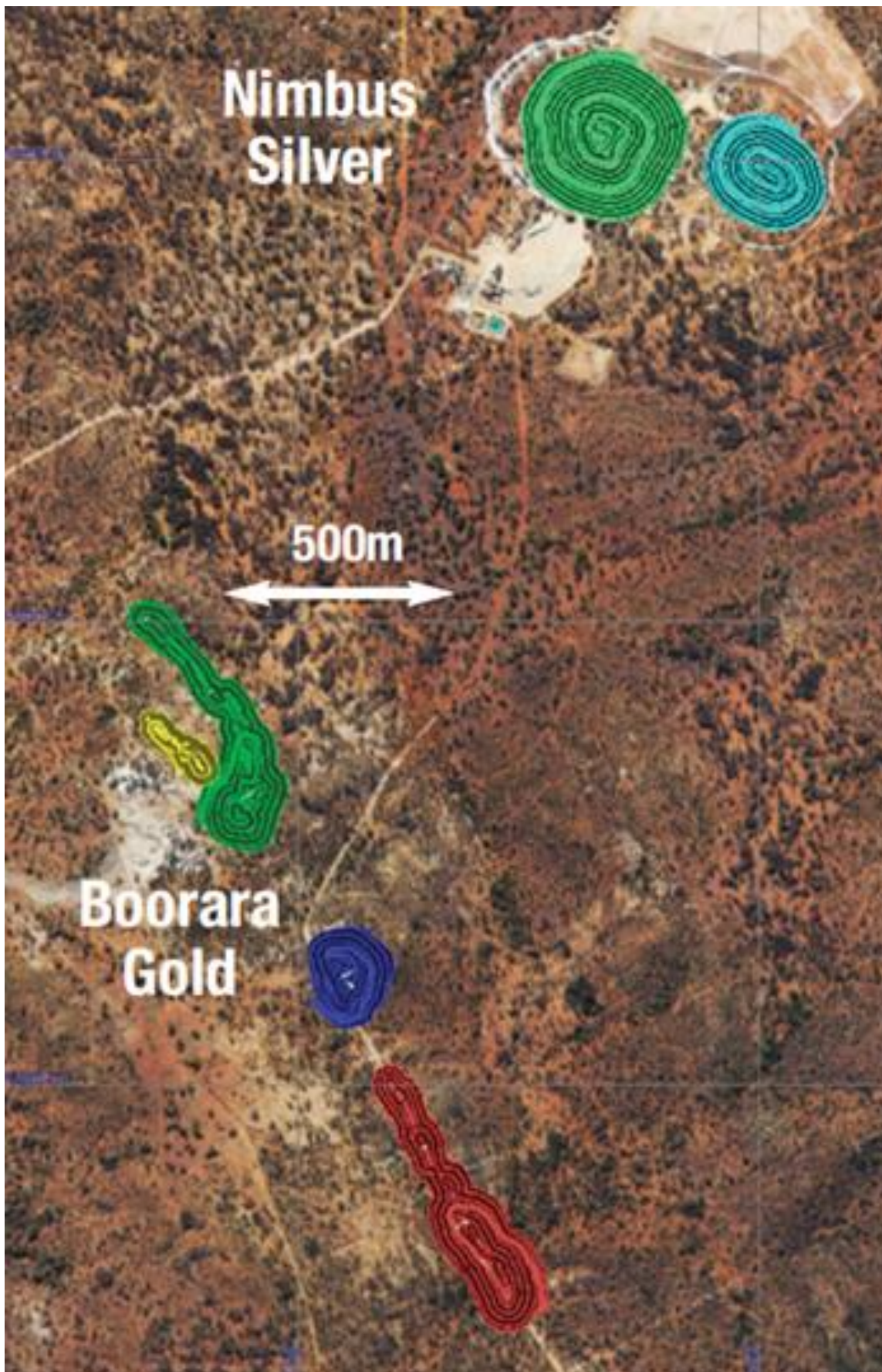


Figure 5 – Preliminary optimised open pit designs for the Boorara gold project located 1- 2km from the Nimbus Mill.

Processing Facility

During the reporting period the Company had CPC Engineering complete the plant engineering design, flowsheets, capex/opex and process modelling and commencement of the refurbishment of six leach tanks purchased from Tarmoola. CPC presented their report in late 2013.

In December 2013, the Company appointed leading international engineering and construction company, Sedgman Limited to complete the Bankable Feasibility Study which is scheduled for Mid-2014.

Coolgardie Gold Project

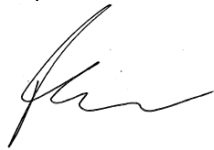
During the half year ended December 2013, the Company focussed its Coolgardie gold project activities on pit optimisation studies, mine planning and permitting.

This work is ongoing.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, 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 9 and forms part of this directors' report for the half-year ended 31 December 2013.

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



Ashok Parekh
Chairman
5 March 2014

Competent Person's Statement

The information in this report that relates to ore reserves, mineral resources, and exploration results is based on information compiled by Mr Morrie Goodz who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Morrie Goodz is a full time officer of MacPhersons Resources Limited and 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". Mr Goodz has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of MacPhersons Resources Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
5 March 2014

L Di Giallonardo
Partner

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Notes	Consolidated	
		31 December 2013 \$	31 December 2012 \$
Continuing operations			
Revenue		84,166	291,141
Employee benefits expense		(1,302,631)	(1,972,388)
Depreciation and amortisation expense		(165,690)	(136,613)
Exploration expenditure		(1,496,936)	(5,392,137)
Acquisition costs – stamp duty		(148,945)	-
Administration costs		(555,144)	(772,893)
Site office costs		(228,033)	(186,158)
Loss before income tax	2	(3,813,214)	(8,169,048)
Income tax expense		-	-
Net loss for the period		(3,813,214)	(8,169,048)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(3,813,214)	(8,169,048)
Basic loss per share (cents per share)		(1.5) cents	(3.5) cents

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	Consolidated	
		31 December 2013 \$	30 June 2013 \$
Assets			
Current Assets			
Cash and cash equivalents		2,996,973	6,635,529
Trade and other receivables		349,012	635,896
Total Current Assets		3,345,985	7,271,425
Non-Current Assets			
Property, plant and equipment		5,590,184	5,712,825
Deferred exploration and evaluation expenditure	3	23,727,827	23,351,827
Total Non-Current Assets		29,318,011	29,064,652
Total Assets		32,663,996	36,336,077
Liabilities			
Current Liabilities			
Trade and other payables		590,567	875,476
Employee entitlements		77,964	95,706
Total Current Liabilities		668,531	971,182
Non-Current Liabilities			
Employee entitlements		609	551
Total Non-Current Liabilities		609	551
Total Liabilities		669,140	971,733
Net Assets		31,994,856	35,364,344
Equity			
Issued capital	4	66,524,159	66,080,433
Accumulated losses		(34,529,303)	(30,716,089)
Total Equity		31,994,856	35,364,344

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	Consolidated		
	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2013	66,080,433	(30,716,089)	35,364,344
Loss for the period	-	(3,813,214)	(3,813,214)
Total comprehensive loss for the period	-	(3,813,214)	(3,813,214)
Shares issued for acquisition of tenements	126,000	-	126,000
Shares issued for extinguishment of royalty	200,000	-	200,000
Shares issued for payment of drilling costs	117,726	-	117,726
Balance at 31 December 2013	66,524,159	(34,529,303)	31,994,856
Balance at 1 July 2012	53,388,278	(18,770,767)	34,617,511
Loss for the period	-	(8,169,048)	(8,169,048)
Total comprehensive loss for the period	-	(8,169,048)	(8,169,048)
Shares issued to staff	77,000	-	77,000
Shares issued during the half-year	12,658,889	-	12,658,889
Share issue expenses	(845,067)	-	(845,067)
Balance at 31 December 2012	65,279,100	(26,939,815)	38,339,285

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees (including exploration and evaluation activities)	(3,463,461)	(8,114,945)
Payment of stamp duty on acquisition	(148,945)	-
Interest received	74,166	214,030
Interest paid	(15)	-
Other receipts	-	4,182
Net cash outflow from operating activities	<u>(3,538,255)</u>	<u>(7,896,733)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(60,301)	(324,168)
Payments for tenement acquisitions	(50,000)	-
Proceeds from sale of tenement	10,000	-
Proceeds from sale of assets	-	10,500
Net cash outflow from investing activities	<u>(100,301)</u>	<u>(313,668)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	12,658,890
Payments for share issue costs	-	(845,068)
Net cash inflow from financing activities	<u>-</u>	<u>11,813,822</u>
Net (decrease)/increase in cash held	(3,638,556)	3,603,421
Cash and cash equivalents at the beginning of the period	6,635,529	8,191,562
Cash and cash equivalents at the end of the period	<u>2,996,973</u>	<u>11,794,983</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half year 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 financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by MacPhersons Resources Limited and its subsidiaries during the half-year in accordance with 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. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

Significant accounting judgments and key estimates

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

In preparing this interim report, 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 for the year ended 30 June 2013.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half year ended 31 December 2013 of \$3,813,214 (2012: \$8,169,048) and experienced net cash outflows from operating activities of \$3,538,255 (2012: \$7,896,733). At 31 December 2013, the Group had current assets of \$3,345,985 (30 June 2013: \$7,271,425).

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises. In the event that the Company is not able to raise additional capital the Directors believe that the Company can continue to operate at a reduced activity level with the funds that it has currently.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**
NOTE 2: LOSS BEFORE INCOME TAX

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
Included in the net loss for the period are the following revenue and expense items:		
(a) Revenue		
Interest received	74,166	276,458
(b) Expenses		
Consultancy fees	653,801	1,437,106
Depreciation and amortisation of non-current assets	165,690	136,613
Drilling and assay costs	514,026	3,186,593
Employee benefits costs	1,302,631	1,972,388

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	6 months to 31 December 2013	Year to 30 June 2013
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	23,351,827	23,313,827
Acquisition of tenements (i)	176,000	38,000
Deferred expenditure – payment to extinguish royalty	200,000	-
Total deferred exploration and evaluation expenditure	23,727,827	23,351,827

- (i) During the period the Company completed several acquisitions of tenements adjacent to the Nimbus Project. The tenements were acquired for consideration made up partly of cash and shares.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**
NOTE 4: ISSUED CAPITAL

	Consolidated			
	31 December 2013		30 June 2013	
	\$		\$	
<i>Ordinary shares</i>				
Issued and fully paid	66,524,159		66,080,434	
	2013	2013	2012	2012
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
Shares on issue at 1 July 2013	249,359,110	66,080,433	215,099,700	53,388,278
- Shares issued for acquisition of tenements	900,000	126,000	-	-
- Shares issued for extinguishment of zinc royalty	891,810	200,000	-	-
- Shares issued for payment of drilling costs	666,258	117,726	-	-
- Share placement	-	-	31,733,919	12,658,890
- Employee shares issued	-	-	200,000	77,000
- Issue costs	-	-	-	(845,068)
At end of period	251,817,178	66,524,159	247,033,619	65,279,100
	2013	2013	2012	2012
Options	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at beginning of period	22,000,000	0.30	22,000,000	0.30
Expired during the period	(22,000,000)	0.30	-	-
Outstanding at the end of the period	-	-	22,000,000	0.30
Exercisable at the end of the period	-	-	22,000,000	0.30

NOTE 5: SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (deemed to be the Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of MacPhersons Resources Limited reviews internal reports prepared as financial statements and strategic decisions of the company are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the minerals exploration sector in Australia. Accordingly, under the 'management approach' outlined, only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 6: CONTINGENT LIABILITIES

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

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the reporting period the Company made application to AusIndustry in relation to research and development expenditure incurred in connection with establishing a treatment process for the Nimbus and Boorara ore. This application was accepted by AusIndustry and the Company has lodged its claim with the Australian Taxation Office which, if accepted, will result in the Company receiving a \$2,761,560 research and development grant.

There were no events subsequent to reporting date requiring disclosure.

DIRECTORS' DECLARATION

In the opinion of the directors of MacPhersons Resources Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. 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 then ended.
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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Ashok Parekh

Chairman

5 March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MacPhersons Resources Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of MacPhersons Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group'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.

A review of a interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of MacPhersons Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group'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 the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
5 March 2014

L Di Giallonardo

L Di Giallonardo
Partner