



Resource
Development
Group

Resource Development Group Limited

ABN 33 149 028 142

**Interim Financial Report
31 December 2012**

Resource Development Group Limited

ABN 33 149 028 142

Interim Financial Report

31 December 2012

Contents	Page
Corporate Information	2
Directors' Report	3
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Directors' Declaration	16
Independent Auditor's Review Report	17

CORPORATE INFORMATION

ABN 33 149 028 142

Directors

Mr. Mel Ashton, Non-Executive Chairman
Mr. Jeff Brill, Managing Director
Mr. Damir Panzich, Executive Director
Mr. Chris Ryan, Non-Executive Director

Company secretaries

Mr. Ben Donovan
Mr. Raymond Pugsley (appointed 1 February 2013)

Registered office

Level 8, Carillon City Office Tower
207 Murray Street, PERTH, WA 6000
Telephone: +61 8 6460 0360
Facsimile: +61 8 6460 0361

Principal place of business

Level 8, Carillon City Office Tower
207 Murray Street, PERTH, WA 6000
Telephone: +61 8 6460 0360
Facsimile: +61 8 6460 0361
Website: www.resdevgroup.com.au

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway, APPLECROSS, WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Solicitors

Hilary Macdonald
Corporate & Resources Lawyer
Suite 29, 18 Stirling Highway, NEDLANDS, WA 6009

Bankers

Westpac Banking Corporation
7 & 9A Queen Street, FREMANTLE, WA 6160

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street, PERTH WA 6000

Stock exchange listing

Resource Development Group Limited shares are listed on the Australian Securities Exchange (ASX: RDG)

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity of Resource Development Group Limited ("Company" or "RDG") for the half year ended 31 December 2012. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of the 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.

Mr Mel Ashton	(Non-Executive Chairman)
Mr Jeff Brill	(Managing Director)
Mr Damir Panzich	(Executive Director)
Mr Chris Ryan	(Non-Executive Director)

Principal Activities

The principal activities of the entities within the consolidated entity during the half year were the provision of engineering, construction and consulting services to mining companies.

Review of operations

Resource Development Group Limited (RDG) is an ASX listed company that has been incorporated to build an Australian based vertically integrated resource and mining services business. RDG acts as the holding company for a group of businesses that work across the complete project development life cycle. The globalisation of the resource industry has reinforced the need for cost management and value adding through the contracted outsourcing of specialised skills.

The key skills provided by Resource Development Group Limited are:

- Assisting in identifying and determining the viability of projects through studies and business case evaluations.
- Structuring and designing engineering and delivery solutions to fast track projects into production, thereby generating cash flow.

Working in a vertically integrated manner, the RDG portfolio of companies can operate individually or as a group, thus allowing clients to select the services they require, tailoring an outcome which best suits their individual structure and project requirements. Being vertically integrated allows RDG to streamline its service.

At the close of the period Resource Development Group Limited consisted of four wholly owned subsidiaries capable of developing mining and infrastructure projects from exploration into production and subsequent handover to operations groups.

Resource Development Group has concentrated on consolidating the operations of its four subsidiaries over the period with a focus on organic growth. The first half of the financial year has been challenging and the diversified nature of the Company has assisted in managing the market conditions. The outlook for the services market has stabilised and the three to five year outlook is positive.

Resource Development Group's immediate objectives are:

- To continue to consolidate the Company as a vertically integrated resource and mining services business.
- To expand the Company's current business activities by a combination of organic growth, increased service offerings and geographical expansion.
- To exploit synergies between Group companies and leverage off existing client relationships with a view to delivering larger projects and providing additional services.

Resource Development Group will look to build the Company through further organic growth as well as through acquisitions.

DIRECTORS' REPORT (continued)

Auditor 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 5 and forms part of this directors' report for the half-year ended 31 December 2012.

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

A handwritten signature in black ink that reads "M. Ashton". The signature is written in a cursive, flowing style.

Mr Mel Ashton

Non-Executive Chairman
Perth, Western Australia
28 February 2013

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Resource Development Group Limited for the half-year ended 31 December 2012, 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
28 February 2013

W M CLARK
Partner, HLB Mann Judd

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Notes	Consolidated	
		31 December 2012	31 December 2011
		\$	\$
Revenue	2	66,896,085	10,848,844
Other income		84,133	17,781
Employee benefits expense		(15,770,067)	(8,026,985)
Depreciation and amortisation expense	2	(258,929)	(96,811)
Finance costs		(154,086)	(6,070)
Share based payments		(144,431)	-
Other expenses		(47,132,554)	(1,404,887)
Profit before income tax expense		3,520,151	1,331,872
Income tax expense		(1,188,586)	(415,746)
Profit for the period		2,331,565	916,126
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,743	(829)
Other comprehensive income/(loss) for the period, net of tax		1,743	(829)
Total comprehensive income for the period		2,333,308	915,297
Basic earnings per share (cents per share)		1.79	0.97
Diluted earnings per share (cents per share)		1.70	0.95

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Notes	Consolidated	
		31 December 2012 \$	30 June 2012 \$
Assets			
Current Assets			
Cash and cash equivalents		4,959,898	4,680,847
Trade and other receivables		24,788,673	16,317,940
Inventories		15,924	57,115
Total Current Assets		29,764,495	21,055,902
Non-Current Assets			
Property, plant and equipment		1,908,704	1,743,950
Intangible assets	5	13,788,065	13,784,179
Deferred tax assets		1,532,619	1,232,964
Total Non-Current Assets		17,229,388	16,761,093
Total Assets		46,993,883	37,816,995
Liabilities			
Current Liabilities			
Trade and other payables		19,068,300	11,009,317
Borrowings		2,607,297	4,260,337
Current tax liabilities		1,047,410	1,498,829
Provisions		1,099,113	1,056,583
Total Current Liabilities		23,822,120	17,825,066
Non-Current Liabilities			
Borrowings		6,005,959	5,280,667
Deferred tax liabilities		19,488	19,487
Provisions		70,582	93,780
Total Non-Current Liabilities		6,096,029	5,393,934
Total Liabilities		29,918,149	23,219,000
Net Assets		17,075,734	14,597,995
Equity			
Issued capital	4	12,074,297	12,074,297
Reserves		162,106	15,932
Retained earnings		4,839,331	2,507,766
Total Equity		17,075,734	14,597,995

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

Consolidated	Issued Capital	(Accumulated Losses)/ Retained Earnings	Foreign Currency Transaction Reserve	Share Based Payment Reserve	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2011	3,305,471	(248,931)	(39)	-	3,056,501
Profit for the period	-	916,126	-	-	916,126
Exchange differences arising on translation of foreign operations	-	-	(829)	-	(829)
Total comprehensive income for the period	-	916,126	(829)	-	915,297
Shares issued during the period	3,267,962	-	-	-	3,267,962
Recognition of share-based payments	-	-	-	-	-
Balance at 31 December 2011	6,573,433	667,195	(868)	-	7,239,760
Balance as at 1 July 2012	12,074,297	2,507,766	(2,335)	18,267	14,597,995
Profit for the period	-	2,331,565	-	-	2,331,565
Exchange differences arising on translation of foreign operations	-	-	1,743	-	1,743
Total comprehensive income for the period	-	2,331,565	1,743	-	2,333,308
Recognition of share-based payments	-	-	-	144,431	144,431
Balance at 31 December 2012	12,074,297	4,839,331	(592)	162,698	17,075,734

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Consolidated	
	31 December 2012	31 December 2011
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	58,557,571	9,995,715
Payments to suppliers and employees	(54,206,635)	(8,566,308)
Interest received	83,610	17,781
Finance costs	(119,977)	(6,067)
Income tax paid	(1,939,659)	(649,512)
Net cash (used in)/ provided by operating activities	2,374,910	791,609
Cash flows from investing activities		
Purchase of property, plant and equipment	(380,282)	(228,573)
Proceeds from sale of property, plant and equipment	1,300	-
Payments for subsidiary, net of cash acquired	(781,520)	(660,216)
Purchase of intangibles	(7,610)	-
Net cash provided by investing activities	(1,168,112)	(888,789)
Cash flows from financing activities		
Proceeds from borrowing	781,520	-
Repayment of borrowings	(143,958)	(50,000)
Reduction in finance lease and hire purchase liabilities	(46,646)	-
Net cash used in financing activities	590,916	(50,000)
Net (decrease)/ increase in cash and cash equivalents	1,797,714	(147,180)
Cash and cash equivalents at beginning of period	3,162,184	4,378,527
Cash and cash equivalents at end of period	4,959,898	4,231,347

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2011, 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 2012 and any public announcements made by Resource Development Group 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 period.

(b) Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. 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.

(c) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 consolidated financial report for the year ended 30 June 2012.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current annual reporting periods beginning on or after 1 July 2012.

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 Company and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. 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 the Company and, therefore, no change necessary to Group accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	31 December 2012	31 December 2011
	\$	\$
(a) Revenue		
<i>Sales revenue</i>		
Rendering of services	18,699,380	10,782,722
Sale of goods	48,196,705	66,122
	<u>66,896,085</u>	<u>10,848,844</u>
<i>Other income</i>		
Bank interest	83,610	17,781
Profit on sale of fixed assets	523	-
	<u>84,133</u>	<u>17,781</u>
(b) Expenses		
Foreign exchange profit (net)	296	346
Depreciation of non-current assets	(258,929)	(96,811)
Operating lease rental expense	(720,756)	(355,256)

NOTE 3: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

The Board of Directors of Resource Development Group Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Company are determined upon analysis of these internal reports.

The Group operates predominately in one business segment being the provision of engineering, construction and consulting services to mining clients in Australia. The Board of Directors is of the opinion that the condensed consolidated statement of comprehensive income of the Group is equivalent to the operating segment identified above and as such no further disclosure is required in the notes to the condensed financial statements in relation to business segments.

Revenue by geographical region

Revenue by geographical region attributable to external customers is disclosed below, based on the location of the external customer.

	Consolidated	
	31 December 2012	31 December 2011
	\$	\$
Australia	66,026,703	9,679,609
Africa	837,564	1,187,016
Ecuador	115,428	-
Total	<u>66,979,695</u>	<u>10,866,625</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 December 2012	30 June 2012
	\$	\$
129,971,723 Ordinary shares issued and fully paid	12,074,297	12,074,297

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	Six months ended 31 December 2012		Year ended 30 June 2012	
	No.	\$	No.	\$
<i>Movement in ordinary shares on issue</i>				
Balance at beginning of financial period	129,971,723	12,074,297	89,604,868	3,305,471
Issued on 24 October 2011 to acquire Intellect Systems Pty Ltd	-	-	13,203,886	3,267,962
Issued on 5 March 2012 to acquire Pacer Corporation Pty Ltd	-	-	15,321,759	3,000,000
Issued on 31 May 2012 to acquire Ecologia Environmental Consultants Pty Ltd	-	-	11,841,210	2,500,864
Balance at end of financial period	129,971,723	12,074,297	129,971,723	12,074,297

Options

The Company has not issued any options.

The Company adopted an Employee Incentive Plan allowing the Board to invite employees to apply for incentives, for nil consideration. The incentives may be exercised for nil consideration when certain vesting conditions occur, at which point one share will be issued for each incentive exercised. At 31 December 2012 there were 6,997,168 (2011: 2,896,433) incentives on issue to employees.

	Consolidated	
	Six months ended 31 December 2012	Year ended 30 June 2012
	Number	Number
Movement in employee incentives		
Balance at beginning of financial period	2,660,040	2,896,433
Issued during period	4,550,000	-
Forfeited on cessation of employment	(212,872)	(236,393)
Balance at end of financial period	6,997,168	2,660,040

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 5: INTANGIBLES

	Consolidated	
	31 December 2012	30 June 2012
	\$	\$
Goodwill	13,769,067	13,769,067
Borrowing costs	9,885	14,222
Formation expenses	613	-
Trademark	8,500	890
	<u>13,788,065</u>	<u>13,784,179</u>

NOTE 6: CONTINGENT LIABILITY

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

NOTE 7: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Resource Development Group Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest		Investment (\$)	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
Engenium Pty Ltd	Australia	100	100	13,791,427	13,791,427
Engenium Projects Limited	UK	100	100	2	2
Intellect Systems Pty Ltd	Australia	100	100	4,517,962	4,517,962
Pacer Corporation Pty Ltd	Australia	100	-	3,000,000	-
Ecologia Environmental Consultants Pty Ltd	Australia	100	-	6,252,159	-
Australian Quarries Pty Ltd	Australia	100	-	2	-

Resource Development Group Limited is the intermediate Australian parent entity and intermediate parent of the Group. Lightshare Investments Pty Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 7: RELATED PARTY DISCLOSURE (continued)

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period:

Related party		Income from Related Parties \$	Expenditure to Related Parties \$	Amounts Owed by Related Parties \$	Amounts Owed to Related parties \$
Consolidated					
Entities with significant influence over the Group:					
Lightshare Investments Pty Ltd	2012	66,381	-	-	-
	2011	45,953	4,249	3,224	-

Entity with significant influence over the Group

Lightshare Investments Pty Ltd owns 58.39% of the ordinary shares in Resource Development Group Limited (2011: 67.07%).

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

No guarantees provided or received for any related party receivables or payables.

For the half-year ended 31 December 2012, the Group has not made any allowance for doubtful debts relating to amounts owed by related parties due to solid payment history (2011: \$Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

NOTE 8: EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the interim period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 9: COMMITMENTS

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on premises and certain items of computer equipment. These leases have an average life of three years with renewal options included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	Consolidated		Parent	
	31 December 2012	30 June 2012	31 December 2012	30 June 2012
	\$	\$	\$	\$
Within one year	1,466,854	1,436,432	-	-
After one year but not more than five years	3,497,286	4,159,924	-	-
More than five years	-	-	-	-
	4,964,140	5,596,356	-	-

Finance lease and hire purchase commitments - Group as lessee

The Group has finance leases and hire purchase contracts for various items of plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

Consolidated	31 December 2012		30 June 2012	
	Minimum Lease payments \$	Present value of lease payments \$	Minimum lease payments \$	Present value of lease payments \$
Within one year	50,956		78,193	
After one year but not more than five years	88,822		114,300	
Total minimum lease payments	139,778		192,493	
Less amounts representing finance charges		(16,645)		(22,712)
Present value of minimum lease payments		123,133		169,781

Capital commitments

At 31 December 2012 the Group had no capital commitments that have not otherwise been recorded as a liability.

DIRECTORS' DECLARATION

In the opinion of the directors of Resource Development Group Limited (the 'Company'):

1. the attached financial statements and notes thereto are 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 2012 and of its performance for the year then ended; and
 - b. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
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.



Mel Ashton
Non-Executive Chairman

Dated this 28th day of February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Resource Development Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Resource Development Group Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated 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 consolidated entity 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 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 internal 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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 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*.

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial 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 Resource Development Group 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 2012 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
Chartered Accountants



W M CLARK
Partner

Perth, Western Australia
28 February 2013