



1. Company details

Name of entity:	Ephraim Resources Limited (previously known as WAG Limited)
ABN:	63 008 666 233
Reporting period:	For the half-year ended 31 December 2013
Previous period:	For the half-year ended 31 December 2012

2. Results for announcement to the market

					\$
Revenues from ordinary activities	down	46%	to		22
Loss from ordinary activities after tax attributable to the owners of Ephraim Resources Limited	down	1,030%	to		(346,384)
Loss for the half-year attributable to the owners of Ephraim Resources Limited	down	1,030%	to		(346,384)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the company after providing for income tax amounted to \$346,384 (31 December 2012: \$30,653).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.04)</u>	<u>(0.0001)</u>

4. Control gained over entities

On 14 June 2013 the Company entered into an agreement to acquire 100% of the issued capital of Ephraim Resources Limited, a British Virgin Island incorporated entity who owns 99% of the issued capital of PT First Flower, an Indonesian incorporated entity. The acquisition was conditional on various items being met by the Company, including the raising of \$3 million and the successful re-listing of the Company on ASX. All conditions precedent under the agreement was met on 14 February 2014.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Not applicable.

10. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Report. The review report does not contain a qualification.

11. Attachments

The Half-yearly Report of Ephraim Resources Limited for the half-year ended 31 December 2013 is attached.

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Ephraim Resources Limited

(previously known as WAG Limited)

ABN 63 008 666 233

Half-yearly Report - 31 December 2013

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Ephraim Resources Limited (previously known as WAG Limited)

Directors' report

31 December 2013

The directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2013.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Frederick Ng

Steven Pynt

Michael Pixley (appointed 11 October 2013)

Graham Anderson (resigned 11 October 2013)

Principal activities

During the financial half-year the principal continuing activities of the Company consisted of progressing the Company towards a re-compliance listing on ASX. This was successfully completed on 14 February 2014.

Following the Company's re-admission to the ASX and having obtained shareholder approval for a change in nature and scale of activities, the Company's principal activities will now focus on agricultural biogenetics research and experimentation, licensing and consultancy, with a specific focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol.

Review of operations

The loss for the Company after providing for income tax amounted to \$346,384 (31 December 2012: \$30,653).

As announced to ASX on 14 June 2013, the Company agreed to acquire 100% of the issued capital of Ephraim Resources Limited, a British Virgin Island incorporated entity, which in turn owns 99% of the issued shares of PT First Flower ("PTFF"), an Indonesian incorporated entity which focuses on nipah palm selection and breeding, mass reproduction of plantlets, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol. Its major goal is to establish knowledge, technologies and working protocols to domesticate the cultivation of the nipah palm to produce nipah sap, and nipah plantlets, and for the processing of nipah sap into the most economical end or intermediary products.

Operations during the period were limited to working towards achieving the conditions precedent under the agreement to acquire Ephraim, which included obtaining shareholder approval for the transaction, the raising of \$3 million and achieving a re-listing on ASX.

Significant changes in the state of affairs

During the half-year the Company continued to progress the Company towards a re-compliance listing on ASX through the acquisition in Ephraim Resources Limited whose activities are described in more detail under "Review of Operations". This was successfully completed on 14 February 2014.

As part of the re-compliance process, and as announced to ASX on 14 June 2013, the Company agreed to acquire 100% of the issued capital of Ephraim Resources Limited, who owns 99% of the issued shares of PT First Flower, an Indonesian incorporated entity whose business is focused on agricultural biogenetics research and experimentation, licensing and consultancy.

The consideration for the acquisition was set for the issue of 1,500,000,000 shares (on a post consolidation basis) to the Vendors. These shares were issued on 10 February 2014.

Ephraim Resources Limited (previously known as WAG Limited)
Directors' report
31 December 2013

Significant changes in the state of affairs (continued)

As this transaction represented a change in the Company's nature and scale of activities, approval for this transaction was sought and obtained from shareholders at the Company's October 2013 Annual General Meeting ("AGM").

As part of the restructure, the Company also undertook a share consolidation on the basis that every 28.1812 shares be consolidated into 1 ordinary share. The share consolidation completed on 10 February 2014.

In line with the Company's Public Offer, applications for 15,000,000 ordinary shares (on a post consolidation basis) at an issue price of \$0.20 per share, were received raising \$3,000,000 in new capital. Following clearance from ASX to proceed with the relisting, the shares were issued on 10 February 2014.

Following completion of the relisting and having received prior approval from shareholders, the Company changed its name from WAG Limited to Ephraim Resources Limited on 10 February 2014.

The Company re-paid the E-Path Developments Limited loan in full following its successful ASX re-compliance.

There were no other significant changes in the state of affairs of the Company during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



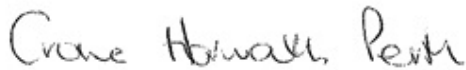
Frederick (Eric) Ng
Director

27 February 2014

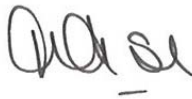
AUDITOR'S INDEPENDENCE DECLARATION

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

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



CROWE HORWATH PERTH



PHILIPPA HOBSON
Partner

Signed at Perth, 27 February 2014

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Ephraim Resources Limited (previously known as WAG Limited)
Financial report
31 December 2013

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Ephraim Resources Limited (previously known as WAG Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
Revenue	4	22	41
Expenses			
Other expenses	4	<u>(346,406)</u>	<u>(30,694)</u>
Loss before income tax expense		(346,384)	(30,653)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Ephraim Resources Limited		(346,384)	(30,653)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Ephraim Resources Limited		<u><u>(346,384)</u></u>	<u><u>(30,653)</u></u>
Loss from continuing operations attributable to the owners of Ephraim Resources Limited		Cents	Cents
Basic and diluted loss per share		(0.049)	(0.005)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Ephraim Resources Limited (previously known as WAG Limited)
Statement of financial position
As at 31 December 2013

	Note	31 December 2013 \$	30 June 2013 \$
Assets			
Current assets			
Cash and cash equivalents		80,564	41,096
Other receivables	5	<u>167,816</u>	<u>46,517</u>
Total current assets		<u>248,380</u>	<u>87,613</u>
Total assets		<u>248,380</u>	<u>87,613</u>
Liabilities			
Current liabilities			
Trade and other payables	6	<u>548,901</u>	<u>41,750</u>
Total current liabilities		<u>548,901</u>	<u>41,750</u>
Total liabilities		<u>548,901</u>	<u>41,750</u>
Net (liabilities) / assets		<u>(300,521)</u>	<u>45,863</u>
Equity			
Issued capital	7	59,921,543	59,921,543
Accumulated losses		<u>(60,222,064)</u>	<u>(59,875,680)</u>
Total (deficiency) / equity		<u>(300,521)</u>	<u>45,863</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Ephraim Resources Limited (previously known as WAG Limited)
Statement of changes in equity
As at 31 December 2013

	Ordinary shares \$	Accumulated losses \$	Total equity / (deficiency) \$
Balance at 1 July 2012	59,788,375	(59,758,710)	29,665
Loss after income tax expense for the half-year	-	(30,653)	(30,653)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(30,653)	(30,653)
Balance at 31 December 2012	<u>59,788,375</u>	<u>(59,789,363)</u>	<u>(988)</u>

	Ordinary shares \$	Accumulated losses \$	Total equity / (deficiency) \$
Balance at 1 July 2013	59,921,543	(59,875,680)	45,863
Loss after income tax expense for the half-year	-	(346,384)	(346,384)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(346,384)	(346,384)
Balance at 31 December 2013	<u>59,921,543</u>	<u>(60,222,064)</u>	<u>(300,521)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Ephraim Resources Limited (previously known as WAG Limited)
Statement of cash flows
For the half-year ended 31 December 2013

	31 December 2013	31 December 2012
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(360,373)	(40,969)
Interest received	22	41
	<u> </u>	<u> </u>
Net cash used in operating activities	(360,351)	(40,928)
Cash flows from investing activities		
Advancement of loan	(100,805)	-
	<u> </u>	<u> </u>
Net cash used in financing activities	(100,805)	-
Cash flows from financing activities		
Proceeds from borrowings	500,624	-
	<u> </u>	<u> </u>
Net cash from financing activities	500,624	-
Net increase / (decrease) in cash and cash equivalents	39,468	(40,928)
Cash and cash equivalents at the beginning of the financial half-year	41,096	43,409
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u>80,564</u>	<u>2,481</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Ephraim Resources Limited (previously known as WAG Limited)
Notes to the financial statements
31 December 2013

Note 1. General Information

The financial report covers Ephraim Resources Limited (previously known as WAG Limited) as an individual entity. The financial report is prepared in Australian dollars, which is Ephraim Resources' functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Ephraim Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is c/- Nexia Perth, Level 3, 88 William Street, Perth, Western Australia, 6000.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 27 February 2014.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations 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'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

The Company identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Directors are of the opinion that the current financial position and performance of the Company does not require any further disclosure other than the provision of the financial statements as presented.

Note 4. Loss from continuing operations

	31 December 2013	31 December 2012
Loss before income tax includes the following specific revenue and expenses:	\$	\$
Interest	22	41
Corporate compliance costs	(338,738)	(15,806)
General administration costs	(7,668)	(14,888)

Ephraim Resources Limited (previously known as WAG Limited)
Notes to the financial statements
31 December 2013

Note 5. Other receivables

	31 December 2013	30 June 2013
	\$	\$
Goods and services tax recoverable	29,429	7,385
Deposits and prepayments	10,000	11,550
Unsecured advance	128,387	27,582
	<u>167,816</u>	<u>46,517</u>

The unsecured, short term advance was provided to PT First Flower and has been provided for working capital purposes. There are no fixed repayment terms and there is no interest payable.

Note 6. Trade and other payables

	31 December 2013	30 June 2013
	\$	\$
Other payables	48,901	41,750
Loan from E-path Developments Limited	500,000	-
	<u>548,901</u>	<u>41,750</u>

Pursuant to the agreement signed between the Company and Ephraim Resources Limited (pre re-admission), a loan amount of \$500,000 was advanced to the Company by E-Path Developments Limited for funding the operations of WAG and PT First Flower during the Company's relisting period.

The Company fully re-paid the loan, including \$2,000 of accrued interest, following its successful ASX re-compliance.

Note 7. Equity - issued capital

	31 December 2013	30 June 2013	31 December 2013	30 June 2013
	No.	No.	\$	\$
Ordinary shares - fully paid	704,530,706	704,530,706	59,921,543	59,921,543
Unlisted options	-	50,000,000	-	-

Movements in unlisted options

50,000,000 3 cent options expired un-exercised on 31 December 2013. These options were not previously valued or expensed to the profit and loss account as they were issued as an incentive or bonus based on the completion of a shareholder approved transaction which resulted from the introduction, negotiation and involvement of Enviro Capital, a transaction which the company did not proceed with.

At the date of this report, the Company did not have any outstanding options on issue.

Note 8. Contingent Liabilities

There were no changes to contingent liabilities from that reported at 30 June 2013.

Note 9. Events after the reporting period

As announced to ASX on 14 June 2013, the Company agreed to acquire 100% of the issued capital of Ephraim Resources Limited, which owns 99% of the issued shares of PT First Flower, an Indonesian incorporated entity whose business is focused on agricultural biogenetics research and experimentation, licensing and consultancy, with a focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol.

The acquisition was conditional on certain milestones being met, including:

- The Company completing a share consolidation on the basis that every 28.1812 shares be consolidated into 1 ordinary share. This was completed on 10 February 2014.
- The consideration for the acquisition was set for the issue of 1,500,000,000 shares (on a post consolidation basis) to the Vendors. These shares were issued on 10 February 2014.
- The Company raising \$3,000,000 in capital funds through the issue of 15,000,000 ordinary shares (on a post consolidated basis) at an issue price of \$0.20 per share via a Public Offer. Following clearance from ASX to proceed with the relisting, the Company issued these shares on 10 February 2014.

Following completion of the relisting and having received approval from shareholders, the Company changed its name from WAG Limited to Ephraim Resources Limited on 10 February 2014.

The Company re-paid the E-Path Developments Limited loan in full following its successful ASX re-compliance.

Other than the matters noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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.

Ephraim Resources Limited (previously known as WAG Limited)
Directors' declaration
31 December 2013

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Frederick (Eric) Ng
Director

27 February 2014

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EPHRAIM RESOURCES LTD**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Ephraim Resources Ltd (the company) which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the half-year ended on that date, statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the 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 Ephraim Resources Ltd'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 Ephraim Resources Ltd, 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 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.

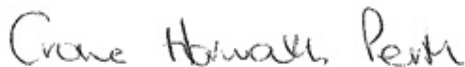
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

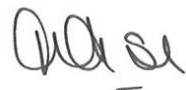
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ephraim Resources Ltd is not 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 of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



CROWE HORWATH PERTH



PHILIPPA HOBSON
Partner

Signed at Perth, 27 February 2014