CONSOLIDATED GLOBAL INVESTMENTS LIMITED

(ABN 97 009 212 293)

2014 ANNUAL REPORT

Corporate Directory

AUSTRALIAN COMPANY NUMBER:
009 212 293

BOARD OF DIRECTORS:
John Palermo
Leigh Anthony Coleman
Paul Anthony Ingram

COMPANY SECRETARY:
John Palermo
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AUDITOR:
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ASX:
CGI

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Review of Operations

NORTHERN TERRITORY

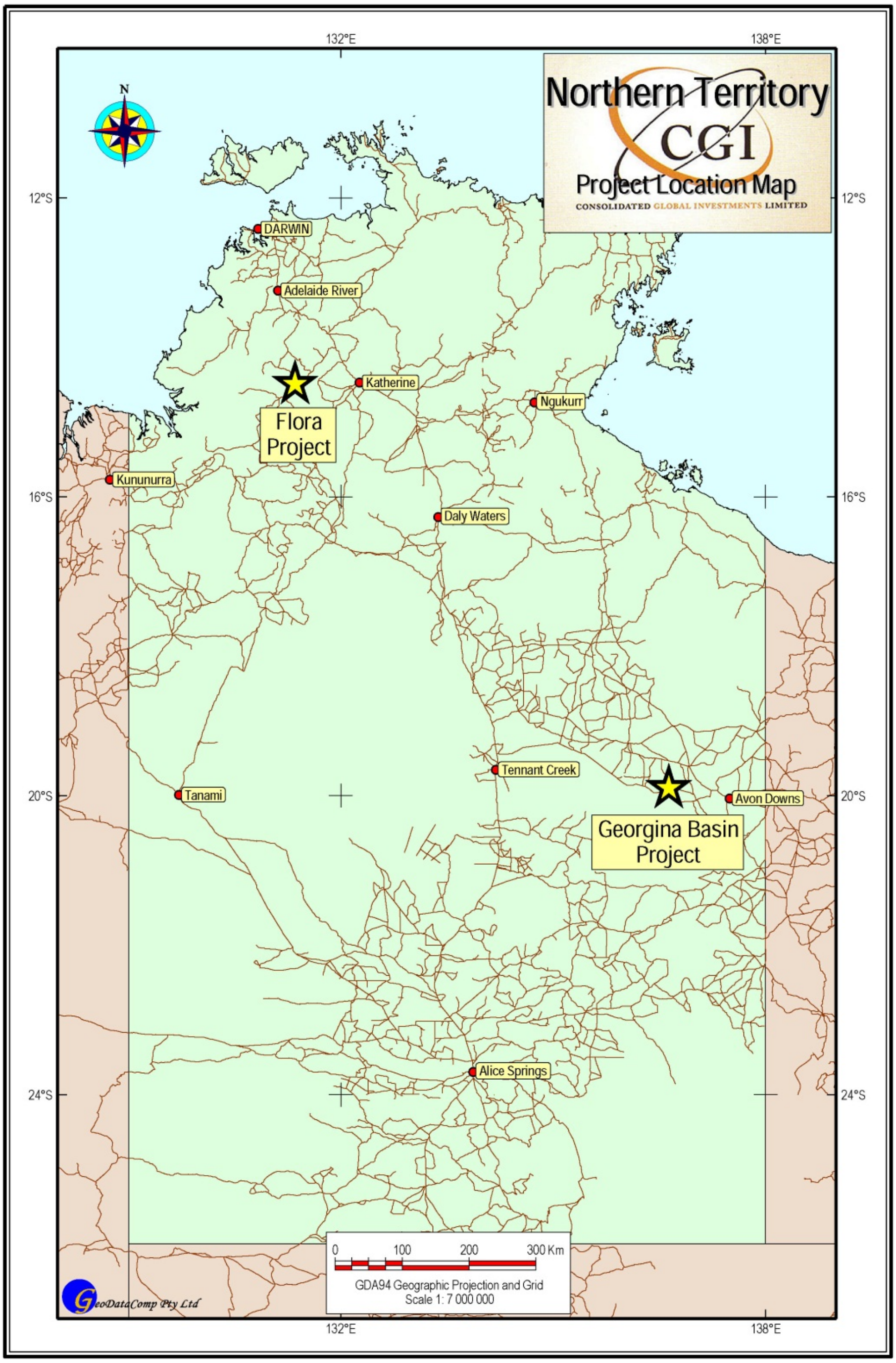


Figure 1 – Location of CGI Northern Territory Projects

Flora Project (EL26899 & EL29757)

EL26899 Rare Earth Elements (REEs) – During July, previously identified U²/Th anomaly target areas were selected for on-ground follow up sampling to include Niton hand held XRF readings and rock chip sampling, as well as geological reconnaissance. Access was limited by rugged terrain to the anomalous areas in the northwest and the western side along the length of the Dorisvale Fault and adjacent terrain (see Figure 2).

Review of Operations (*continued*)

Some 48 rock chip samples were taken generally from ferruginous sandstone ridges which commonly showed high net values Total Rare Earth (Praseodymium, Neodymium, Cerium & Lanthanum) from portable Niton XRF of 1,000 to 2,000 ppm.

A suite of 10 samples was selected for assay at North Australian Laboratories (NAL) at Pine Creek NT. Inductively Coupled Plasma – Mass Spectrometry (ICP-MS) was used with 25 elements reported providing a comprehensive coverage of REEs.

Results from the NAL assays for Total REEs were disappointingly low in comparison with the field readings, indicating the gross inaccuracy of the Niton XRF tool due to the high iron content of the samples. Assay results for the predominant rare earth elements are shown in Table 1 below.

Table 1 – Assay Results, ICP-MS

Sample No.	Uranium ppm	Yttrium ppm	Cerium ppm	Praseodymium ppm	Neodymium ppm	Total ppm
S004	1.85	4.39	19.66	2.49	9.71	38.11
S008	9.12	7.22	11.11	1.46	6.45	35.36
S018	1.90	2.61	7.98	1.18	4.98	18.65
S035	3.08	1.97	19.71	2.61	10.53	37.90
S038	6.59	1.66	15.32	1.13	4.76	29.46
S042	4.14	3.02	10.08	1.43	5.90	24.57
S045	2.99	2.32	49.84	5.22	19.06	79.43
S047	1.98	1.46	16.18	1.89	7.08	28.59
S052	2.94	16.87	38.43	3.51	14.45	76.20
S060	2.07	2.68	81.33	8.23	32.63	126.94

Samples S018, S038 and S052 were assayed at ALS Perth using Lithium Borate Fusion ICP-MS to cross check the NAL results. The ALS results were in general agreement with the NAL results.

The Flora Project lies immediately to the south of the Heavy Rare Earth Elements (HREE) district which is being explored by Spectrum Rare Earth Limited (formerly TUC Resources).

U^2/Th anomalous areas in the southern part of EL26899 which have previously shown anomalous TREO values remain priority targets for REE mineralisation, as does EL29757 to the east. A field sampling and assay program is planned to fully assess these areas.

Review of Operations (*continued*)

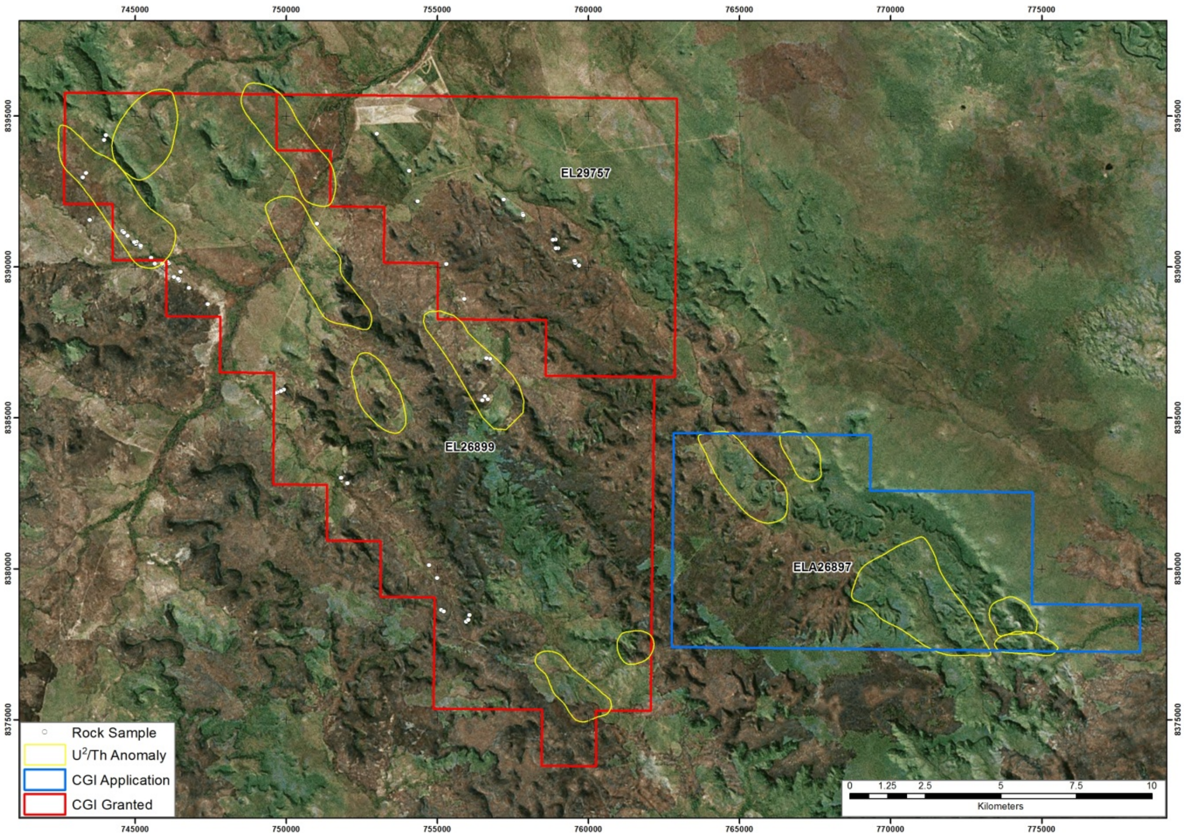


Figure 2 – Rock Chip Sample Points, EL26899 & EL29757

EL26899 Barite - The July field survey was also designed to assess the known barite occurrences in the northwest of the tenement along strike from the old Dorisvale barite mine.

Ten rock chip samples of barite were taken from historical trenches and outcrop over an apparent strike length of approximately 2.5kms. The barite bodies appeared to be near vertical with thicknesses varying from 5 metres to 15 metres (see Figure 3).

During the December quarter, all samples were submitted to Australian Laboratory Services (ALS) Perth for XRF analysis and results are shown on Table 2.

Table 2

Sample Number	$BaSO_4$ %	Sample Number	$BaSO_4$ %
S66	95.6	S02	97.8
S67	93.1	S30	91.9
S68	91.4	S23	95.9
S69	89.1	S24	86.1
S70	97.9	S28	84.6

Rock chip splits for S66 and S09 returned Specific Gravity results of 4.4 and 4.19 respectively.

The barite lodes appear to be hydrothermally emplaced along a major basin margin fault system, the Dorisvale Fault. Continuation of mineralisation from surface to depth is likely with outcropping interpreted as the surface expression of a significant mineralised system. Potential has been recognised for high grade barite lodes suitable for use as drilling mud additive.

Review of Operations (*continued*)

Further work planned on the barite deposits of EL26899 includes:

a) Assessment of the barite market and first pass profitability analysis; and
b) Ground gravity survey over and adjacent to identified strike extension of the old barite mine. This survey should provide clear definition of barite mineralisation to enable pattern drilling and resource definition.

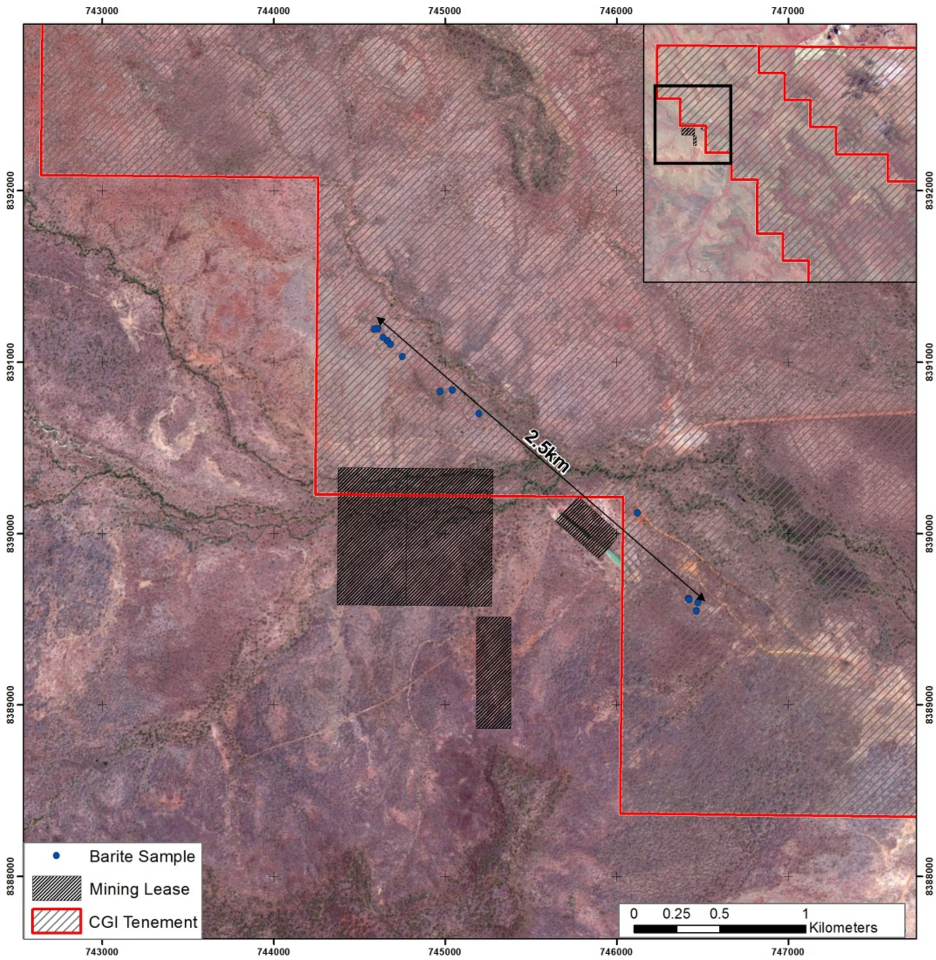


Figure 3 – Location of Barite Rock Chip Samples, EL26899

EL29757 REEs - The adjacent tenement was also sampled with rock chip samples taken from a variety of locations. Some 16 rock chip samples were taken generally from ferruginous sandstone ridges which commonly showed high net values Total Rare Earth (Praseodymium, Neodymium, Cerium & Lanthanum) from portable Niton XRF of 1,000 to 2,000ppm.

Two representative samples were assayed to ascertain REE levels at North Australian Laboratories (NAL) at Pine Creek NT. ICP-MS was used with 25 elements reported. Results from the NAL assays for Total Rare Earth Elements were disappointingly low, showing up the gross inaccuracy of the Niton XRF tool due to the high iron content of the samples. Sample S080 was assayed at ALS Perth using Lithium Borate Fusion ICP-MS to cross check the NAL results. The ALS results were in general agreement with the NAL results.

The tenement has not been exhaustively explored for REE mineralisation and further reconnaissance and rock chip sampling is planned for EL29757 in conjunction with further work on the contiguous EL26899.

Review of Operations (*continued*)

Georgina Basin Ranken Project (EL29191)

Phosphorite deposits are widespread in the Proterozoic and Cambrian sediments of Australia although with the exception of the Georgina Basin they are small and uneconomic. The Wonarah Phosphate deposit owned by Minemakers Limited contains an Indicated and Inferred JORC resource of 933 Mt at 13% P_2O_5 at 5% cut-off (Minemakers Limited website). The Ranken project area lies 15kms ENE of the Wonarah deposit and contains a similar geological sequence and paleao-sedimentary setting which Century Hill recognises as prospective for new phosphate deposit discovery.

During the period, historical data has been acquired and reviewed including satellite imagery, maps, TM images, aeromagnetic and ground magnetic data, gravity and topographic data, open file reports and water bore analysis. The Company is actively seeking a joint venture partner to further the potential of the project.

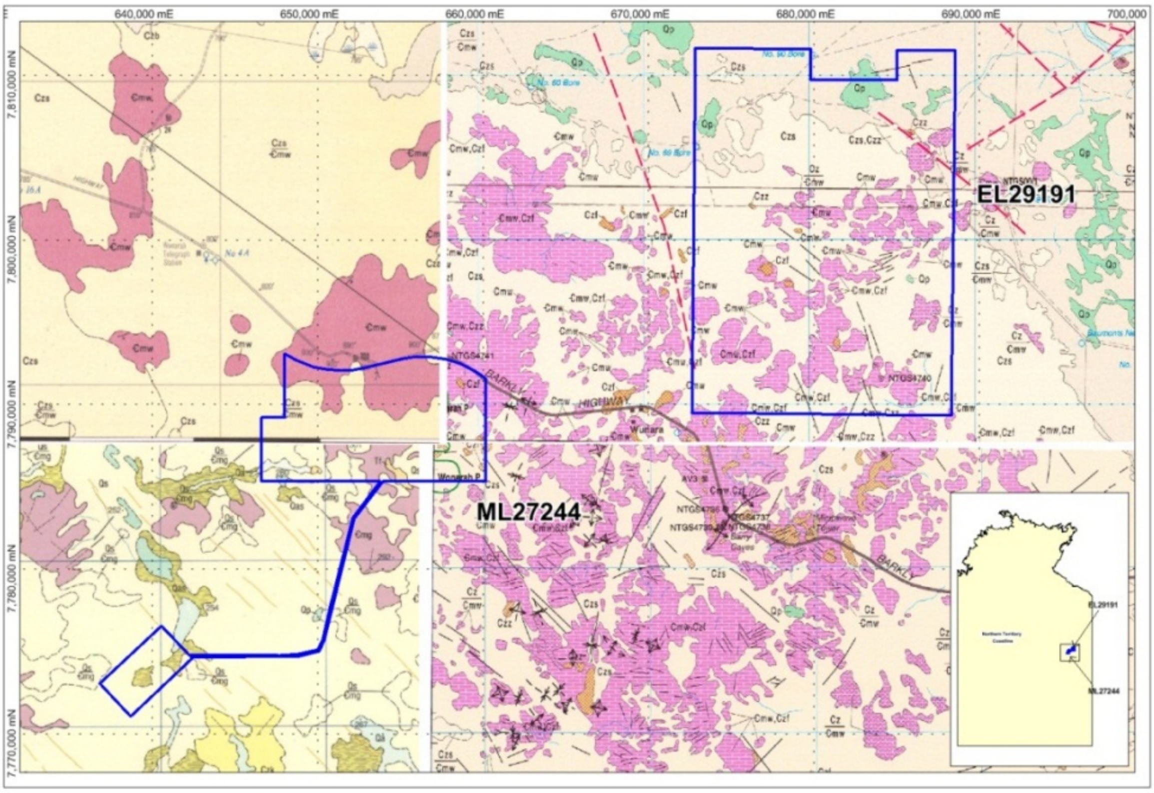


Figure 4 – Geological map showing location of Wonarah phosphate deposits and CGI tenement EL29191

Review of Operations (*continued*)

WESTERN AUSTRALIA

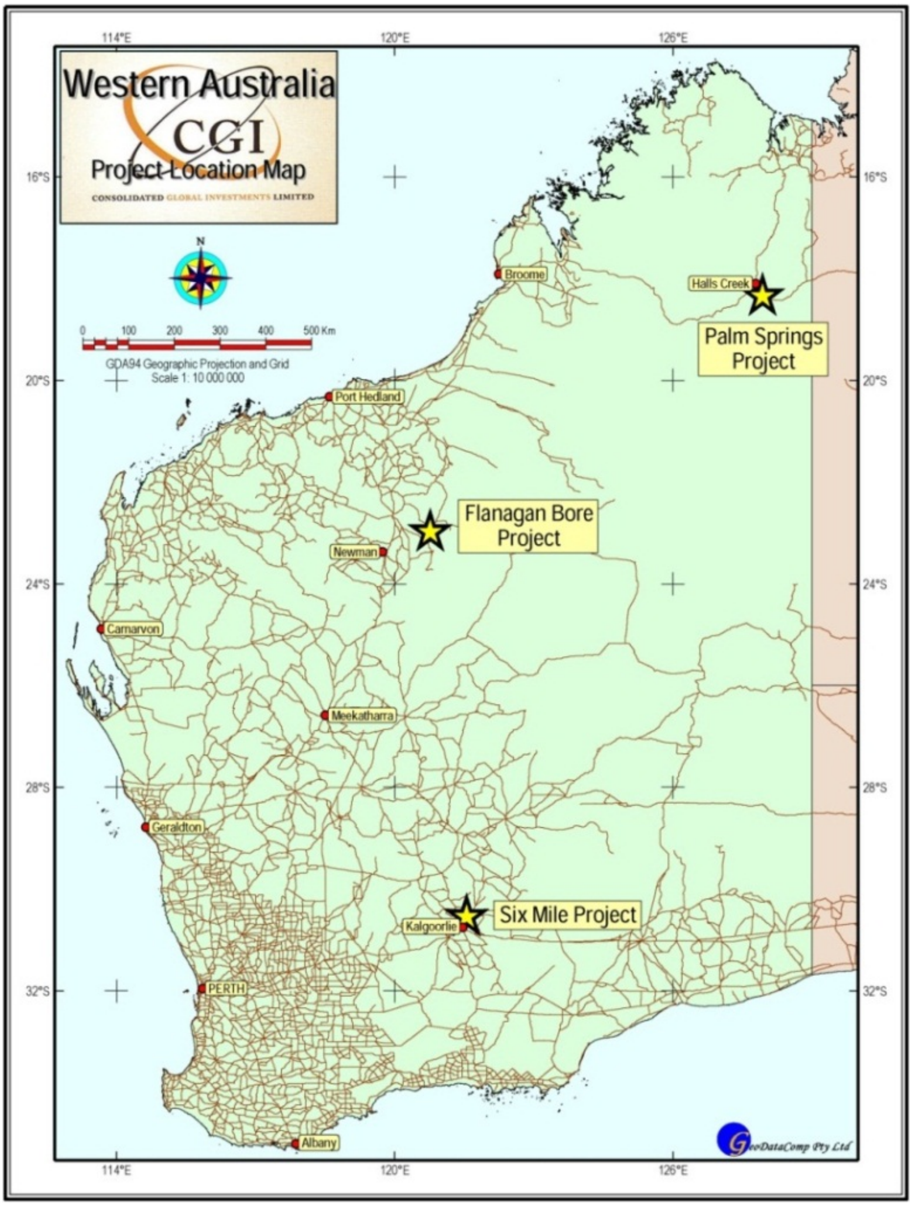


Figure 5 – Locations of CGI Western Australian Projects

Six Mile Project (P27/2088, P27/2089 & P27/2090)

The Six Mile gold project comprises three prospecting licenses P27/2088, P27/2089 and P27/2090 covering an area of approximately 6 square kilometres. The project is located 16kms north north-east of Kalgoorlie and 2.5kms southwest of the world renowned Kanowna Belle Gold Mine.

Current work during the period has included the acquisition and review of historical reports and data relevant to the project area, including the establishment of a large data base of drill hole data, geological logs and analytical reports. A review of the data has led to the recognition of the abiding gold potential of the area and the conclusion that further data analysis should be undertaken along with interpretation of magnetic data to define all possible target areas.

Review of Operations (*continued*)

Figure 6 – Location of Six Mile gold project

Palm Springs Project (P80/1643, P80/1644, P80/1645, P80/1646 & P80/1647)

The Palm Springs Prospecting Licenses are located in the immediate vicinity of the Butchers Creek Gold Mine which mined 761,000 tonnes from open pit to produce 52,000oz of gold between 1995 and 1997 (Dept. of Minerals and Petroleum, Open File Company Report A54952 - December 1997). The area lies 35kms south east of Halls Creek.

Following field work and evaluation conducted during 2012, Extensions of Term for all 5 prospecting licenses were applied for and granted during March 2013, each for a four year term.

During the June quarter, Annual Reports for P80/1643 – P80/1647 were submitted to the Department of Minerals and Petroleum. The reports included a review of the work carried out during the 2013 year with ongoing exploration recommendations. Recommended work includes extensive rock chip sampling followed by a ground magnetic survey to identify structural targets for gold bearing mineralisation.

No further field work was conducted on the Palm Springs Project during the current period.

Flanagan Bore Project (E46/784)

During 2012, drilling and assay results returned from the Little Richard Prospect evidenced a manganiferous shale body extending 700m to the east from LRRC11 and LRRC12, its lateral thickness increasing to 200m and width increasing to plus 30m at its eastern end. Strike, thickness and width remain open to the east. The body also remains open to the south.

Best intersections are:

LRRC08	37m at average 12.80% Mn from 3m;
LRRC16	33m at average 11.33% Mn from surface; and
LRRC 03	28m at average 11.96% Mn from 4m.

Review of Operations (*continued*)

Further geological evaluation of previous work conducted on the project has been conducted during the operation year. Annual Reports for E46/784 were submitted to the Department of Minerals and Petroleum.

No further field work was conducted on the Flanagan Bore Project during the current period.

ADDITIONAL ACQUISITION
Other potential projects and opportunities continue to be reviewed.

GRANTING/SURRENDER OF TENEMENTS
Tenement E80/4033 was surrendered during the period following evaluation carried out since granting.

TENEMENT SUMMARY – Current Holdings

PROJECT NAME	TENEMENT NUMBER	AREA BLOCK/HA	EQUITY	LOCATION
Daly Basin Flora	ELA26897	27	Century Hill Pty Ltd 100%	240kms south of Darwin
	EL26899	59	Century Hill Pty Ltd 100%	
	EL29757	29		
Palm Springs			Valley Point Pty Ltd 100%	20-50kms east of Halls Creek
	P80/1643	44ha	Valley Point Pty Ltd 100%	
	P80/1644	34ha	Valley Point Pty Ltd 100%	
	P80/1645	5.8ha	Valley Point Pty Ltd 100%	
	P80/1646	120ha	Valley Point Pty Ltd 100%	
	P80/1647	8ha	Valley Point Pty Ltd 100%	
Pilbara Flanagan Bore	EL 46/784	14	Mount Resources Pty Ltd 100%	100kms north east of Newman

Competent Person's Statement
The information in this release relating to exploration is based on information compiled by Mr B. Townsend who is a member of the Australasian Institute of Mining and Metallurgy AusIMM). Mr B. Townsend is an Independent Geological Consultant to Consolidated Global Investments Limited and consents to the inclusion in this type of report of the information presented. Mr B. Townsend has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

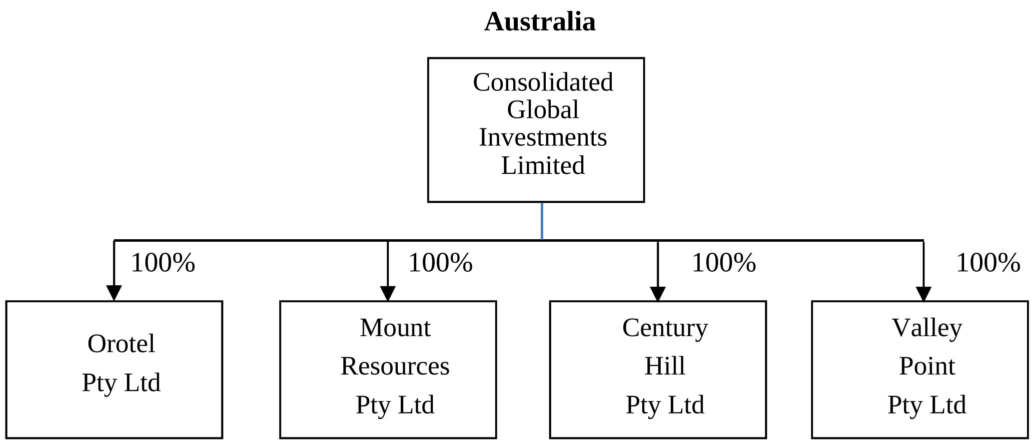
Forward Looking Statement
Some statements in this report regarding future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements may include, but are not limited to, statements concerning the Company's exploration program, outlook, target sizes, resource and mineralised material estimates. They may include statements preceded by words such as " potential", "target", "scheduled", "planned", "estimate", "possible', "future", "prospective" and similar expressions.

Directors' Report

The directors present their report for the year ended 30 June 2014. This report is made in accordance with a resolution of the board of directors.

CORPORATE STRUCTURE

Consolidated Global Investments Limited is a company limited by shares and is incorporated and domiciled in Australia. Consolidated Global Investments Limited has prepared a consolidated financial statement incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure:



DIRECTORS

The directors of the Company in office at any time during the financial year and up to the date of this report are:

John Palermo
Leigh Anthony Coleman
Paul Anthony Ingram

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITY

The principal activity of the Company during the year was mineral exploration.

OPERATING RESULTS AND FINANCIAL POSITION

The consolidated loss for the year after income tax was $(815,594) (2013: loss of $782,585).

The net liabilities of the consolidated entity at 30 June 2014 were $(1,058,698) (2013: net liabilities were $243,104). At that date, there was cash at bank of $15,663 (2013: $468,522).

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended that a dividend be paid.

Directors' Report *(continued)*

REVIEW OF OPERATIONS

The Company, through its wholly owned subsidiaries Mount Resources Pty Ltd, Century Hill Pty Ltd and Valley Point Pty Ltd, continued its exploration activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The state of affairs of the company was significantly changed upon the receipt of a statutory demand, as disclosed to the market on the 25 March 2014.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company and its controlled entities intend to continue their exploration activities.

ENVIRONMENTAL REGULATION

The Company has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to the end of the financial year ended 30 June 2014, the following event had occurred:

- On 11 July 2014, the Company announced it had entered into a loan agreement with Finebase Holdings Pty Ltd as trustee for the Finebase Trust, under which Finebase will loan up to $200,000 to the Company (refer to Note 12 for Terms and Conditions).

INFORMATION ON DIRECTORS

John Palermo, B.Bus, FCA, FCPA, JP (Chairman and Company Secretary)

Mr Palermo is a Chartered Accountant with over 30 years experience in public practice. After commencing his career as an auditor, he was the principal in private practice from 1978 until 2006. His main areas of expertise are corporate services and company administration with his main focus in mining and exploration, and biotechnology. Mr Palermo has extensive management, corporate and directorial experience and is also Chairman and Company Secretary of other public companies, both listed and unlisted. During the past three years, Mr Palermo has also served as a director of the following other listed companies:

- Pharmanet Group Limited *
- Pelican Resources Limited *
- Gladiator Resources Limited (resigned November 2012)

(* denotes current directorship)

Directors' Report *(continued)*

INFORMATION ON DIRECTORS *(continued)*

Leigh Anthony Coleman, M Bus, Grad Dip Bus Admin

Mr Coleman was responsible for the growth of a US public telecommunications company business in the Asia Pacific region. He has successfully established partnerships and joint ventures for American, Japanese, Danish, Dutch and Australian companies. Mr Coleman was CEO of a major division for an internationally recognised Dutch public company with substantial operations in the US. Having returned to Australia in 2001, he was CEO of an Australian public company specialising in IP PBX applications and CP equipment. Mr Coleman began his career as an accountant in Australia, completed a Master of Business and lectured in Strategic Management at Curtin University. He has focused on growing companies and international business development since 1986. During the past three years, he has not served as a director of any other listed companies.

Paul Anthony Ingram

Mr Ingram has been based in South East Asia for the last 20 years where he has managed several major mineral exploration programs for Menzies Gold Limited. Mr Ingram manages all operations from project assessment to corporate acquisitions and financing and he has conducted project assessments in numerous countries including Australia, Mexico, Greece, Thailand, Laos, China, Malaysia and Myanmar.

In the early 1980s, Mr Ingram was a geological consultant for EMS Pty Ltd, where he advised clients throughout Australian on gold and base metal projects, eventually leading to the establishment of Menzies Gold Limited. He is a member of the Australian Institute of Mining and Metallurgical Society and a Member of the Mining Industry Consultants Association. During the past three years, Mr Ingram has held the following listed company directorships:

- A-Cap Resources Limited *
- Australian Pacific Coal Limited *
- Polo Resources Limited (resigned January 2012)

(* denotes current directorship)

Directors' Report *(continued)*

DIRECTORS MEETINGS

The total number of meetings held during the year, including directors' resolutions, and the number of meetings attended and circular resolutions executed by each director were as follows:

	Number Eligible To Attend	Number Attended
John Palermo	13	13
Leigh Anthony Coleman	13	12
Paul Anthony Ingram	13	12

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Company.

Remuneration Policy

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

As well as a base salary, remuneration packages include superannuation.

Executives are also eligible to participate in the Employee Option Plan. The options are issued in accordance with performance guidelines established by the directors of Consolidated Global Investments Limited. Performance guidelines include criteria relating to profitability, cash flow, share price growth and environmental performance.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's diverse operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

At the 2013 Annual General Meeting (AGM), 97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2013. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

The Board undertakes an annual review of its performance against goals set at the start of the year.

Directors' Report *(continued)*

REMUNERATION REPORT *(continued)*

Key Management Personnel Compensation

Details of the nature and amount of emolument paid and/or accrued for each director of Consolidated Global Investments Limited are set out below:

	Primary	Cash	Non-	Post Employment		Equity /	Other	TOTAL
	Salary & Fees	Bonus	Monetary	Super-annuation	Retirement Benefits	Options	Benefits	
Directors	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
Palermo, J: Director (executive)								
2014	36,990	--	--	--	--	--	--	36,990
2013	5,975	--	--	--	--	75,000	--	80,975
Coleman, L A: Director (non-executive)								
2014	250,000	--	--	--	--	--	--	250,000
2013	--	--	--	--	--	25,000	--	25,000
Ingram, P A: Director (non-executive)								
2014	--	--	--	--	--	--	--	--
2013	--	--	--	--	--	10,000	--	10,000
Total Directors								
2014	286,990	--	--	--	--	--	--	286,990
2013	5,975	--	--	--	--	110,000	--	115,975

There are no other specified executives in position of control or exercising management authority during the year ended 30 June 2014.

Remuneration of Company Secretary

Mr John Palermo is paid a fixed fee of $2,500 per month for his duties as company secretary. The Company secretarial fees paid and/or accrued for the year to John Palermo totalled $30,000. The amount disclosed above of $36,990 does not include this amount.

Shares Granted as Compensation for the year ended 30 June 2013

11,000,000 shares were granted to the directors during the year ended 30 June 2013 with a fair value, by reference to the market traded price at grant date, of $0.01 per share.

Options Issued as part of Remuneration for the year ended 30 June 2014

There were no options issued as part of director remuneration for the year ended 30 June 2014.

Directors' Report *(continued)*

REMUNERATION REPORT ***(continued)***

Interests in Shares and Options of the Company

As at 30 June 2014, the directors' interests in shares and options of Consolidated Global Investments Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
John Palermo	57,037,501	--
Leigh Anthony Coleman	3,010,000	--
Paul Anthony Ingram	1,000,000	--

2014	Balance 01/07/13 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised (No. of Shares)	Net Other Change (No. of Shares)	Balance 30/06/14 (No. of Shares)
J Palermo	57,197,501	--	--	(160,000)	57,037,501
L A Coleman	3,010,000	--	--	--	3,010,000
P A Ingram	1,000,000	--	--	--	1,000,000
Total Directors	61,207,501	--	--	(160,000)	61,047,501

2013	Balance 01/07/12 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised (No. of Shares)	Net Other Change (No. of Shares)	Balance 30/06/13 (No. of Shares)
J Palermo	49,722,185	7,500,000	--	(24,684)	57,197,501
L A Coleman	510,000	2,500,000	--	--	3,010,000
P A Ingram	--	1,000,000	--	--	1,000,000
Total Directors	50,232,185	11,000,000	--	(24,684)	61,207,501

Employment Contracts of Directors

There are no formalised employment contracts with directors.

Directors' Benefits

Since the end of the previous financial year, the Company has in the ordinary course of business, paid and/or accrued fees for professional services rendered (as disclosed in Note 15 of the financial statements) to JP Corporate Pty Ltd of which Mr J Palermo is the Principal and director/shareholder respectively. Apart from these items, no director of the Company has received or become entitled to receive any benefit other than:-

1. a benefit included in the aggregate amount of emoluments received or due and receivable as shown in the accounts; or
2. a fixed salary of a full time employee of the Company or of a related corporation by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a Company in which he has a substantial financial interest; or
3. aggregate amounts of each of the above types of other transactions with key management personnel of Consolidated Global Investments Limited.

Directors' Report *(continued)*

REMUNERATION REPORT *(continued)*

Details of loans from directors of Consolidated Global Investments Limited and other key management personnel of the group, including their close family members and entities related to them, are set out below.

Aggregates for Key Management Personnel	Loan Amount $	Interest Charged $	Total $
Finebase Holdings Pty Ltd (John Palermo)	10,000	--	10,000
	10,000	--	10,000

Subsequent to year end, the Company has entered into a secured loan agreement under which Finebase will loan up to $200,000 to the Company. The $10,000 provided and disclosed above forms part of this facility.

The key terms of the Loan Agreement are as follows:

- The interest payable under the loan is 7.97% per annum. Interest is payable monthly in arrears at the interest rate and is calculated on the daily balance of the Loan on the basis of a 365 day year;
- The Loan is repayable 12 months from the date the first advance is made to the Company. The Borrower however may repay the whole or any part of the amount then outstanding at any time and from time to time on any date on which interest is payable; and
- If an event of default occurs, the Company must repay the Loan and any interest in cash including the balance of any other amounts outstanding, within 20 business days of Finebase issuing a written notice requiring repayment.

Other Transactions with Key Management Personnel

Either individually or through companies under his control, Mr J Palermo has received or will receive payment for the provision of administration, public and investor relations, company secretarial and corporate advisory under normal commercial terms and conditions.

The aggregate amount of payments, other than the primary fees disclosed in the remuneration report, for the above mentioned services provided in the ordinary course of business are as follows:

	2014 $	2013 $
Other services	198,646	31,024

[END OF REMUNERATION REPORT]

Directors' Report *(continued)*

INDEMNIFICATION OF DIRECTORS

During the financial year, the Company indemnified all the directors of Consolidated Global Investments Limited against a liability incurred in their role as directors of the Company, except where:

a) the liability arises out of conduct involving a wilful breach of duty; or
b) there has been a contravention of Sections 232 (5) or (6) of the Corporations Act 2003.

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 page 18.

NON-AUDIT SERVICES

Any non-audit services that may have been provided by the entity's auditor, RSM Bird Cameron Partners, is shown at Note 14. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

PROCEEDINGS ON BEHALF OF THE COMPANY

The Company received a statutory demand from Monarch Corporation Pty Ltd in the total amount of $390,000 relating to a Convertible Note Agreement between the Company and Monarch.

The Company is defending the Statutory Demand in the Federal Court.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Consolidated Global Investments Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

Signed in accordance with a resolution of the board of directors.

JOHN PALERMO
Director

Perth, Western Australia
26th September 2014

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Consolidated Global Investments Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 26 September 2014

J A KOMNINOS
Partner

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CONSOLIDATED GLOBAL INVESTMENTS LIMITED

Report on the Financial Report

We were engaged to audit the financial report of Consolidated Global Investments Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. However, we believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Remuneration Report.

Independence

In conducting our audit, 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 Consolidated Global Investments Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

RSM Bird Cameron Partners

Basis for Disclaimer of Opinion

We draw attention to Note 1 in the financial statements, which indicates that the company and consolidated entity incurred net losses of $845,786 and $815,594 respectively and the consolidated entity had net cash outflows from operating activities of $413,138 for the year ended 30 June 2014. As of that date, the company and consolidated entity had net current liabilities of $1,099,807 and $1,058,698 and net liabilities of $1,037,805 and $1,058,698 respectively. The ability of the company and consolidated entity to continue as going concerns is contingent on a number of future events, including the successful resolution of a dispute in relation to a statutory demand from a convertible note holder amounting to $390,000, as announced by the company in its ASX release dated 25 March 2014. On the basis that this matter is still unresolved, we have been unable to obtain sufficient appropriate evidence to enable us to determine whether the preparation of the financial report on a going concern basis is appropriate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion whether:

(a) the financial report of Consolidated Global Investments Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Consolidated Global Investments Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA

Dated: 26 September 2014

J A KOMNINOS

Partner

Directors' Declaration

In the opinion of the directors:

a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

b) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as disclosed in Note 1(a); and

c) 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 has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

JOHN PALERMO
Director

Perth, Western Australia
26th September 2014

Statement of Comprehensive Income
for the year ended 30 June 2014

	NOTE	CONSOLIDATED 2014 $	2013 $
Revenue	3	22,974	2,482
Depreciation		(263)	(529)
Borrowing costs		(203,406)	(36,001)
Administration expenses		(91,158)	(108,585)
Auditor's remuneration		(18,500)	(21,500)
Company secretarial fees		(30,000)	(30,000)
Consultancy fees		(86,990)	(65,975)
Diminution in value of investments		(5,675)	(16,692)
Directors' benefits expenses		(250,000)	(110,000)
Exploration expenditure written off		(83,155)	(341,371)
Insurance		(11,460)	(11,505)
Legal fees		(22,404)	(6,328)
Share register maintenance		(5,114)	(5,336)
Stock exchange maintenance fees		(12,122)	(13,132)
Other expenses		(18,321)	(18,113)
Loss before income tax		(815,594)	(782,585)
Income tax expense	5	--	--
Loss for the year		(815,594)	(782,585)
Other comprehensive income		--	--
Total comprehensive loss for the year		(815,594)	(782,585)
Loss attributable to:			
Members of the parent entity		(815,594)	(782,585)
		Cents	**Cents**
Basic and diluted losses per share (cents per share)	4	(0.89)	(0.91)

The above statement of comprehensive income
should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2014

	NOTE	CONSOLIDATED 2014 $	2013 $
Current Assets			
Cash and cash equivalents	6	15,663	468,522
Trade and other receivables	7	28,328	63,291
Other financial assets	8	57,006	80,240
Total Current Assets		100,997	612,053
Non Current Assets			
Plant and equipment	9	--	525
Mineral exploration and evaluation expenditure	10	--	--
Total Non Current Assets		--	525
Total Assets		100,997	612,578
Current Liabilities			
Trade and other payables	11	741,695	555,682
Borrowings	12	418,000	300,000
Total Current Liabilities		1,159,695	855,682
Total Liabilities		1,159,695	855,682
Net Liabilities		(1,058,698)	(243,104)
Equity			
Issued capital	13	39,560,120	39,560,120
Accumulated losses		(40,618,818)	(39,803,224)
Total Deficiency		(1,058,698)	(243,104)

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

Statement of Changes in Equity
for the year ended 30 June 2014

Consolidated	**Issued Capital** $	**Accumulated Losses** $	**Total** $
Balance at 01/07/2012	39,450,120	(39,020,639)	429,481
Total comprehensive loss for the year	--	(782,585)	(782,585)
Shares issued during the year	110,000	--	110,000
Balance at 30/06/2013	39,560,120	(39,803,224)	(243,104)
Balance at 01/07/2013	39,560,120	(39,803,224)	(243,104)
Total comprehensive loss for the year	--	(815,594)	(815,594)
Balance at 30/06/2014	39,560,120	(40,618,818)	(1,058,698)

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

Statement of Cash Flows
for the year ended 30 June 2014

	NOTE	CONSOLIDATED 2014 $	2013 $
Cash Flows From Operating Activities			
Payments to suppliers		(422,634)	(231,582)
Interest received		9,496	45,217
Borrowing costs reversed		--	26,999
Net Cash Flows Used In Operating Activities	2(b)	(413,138)	(159,366)
Cash Flows From Investing Activities			
Proceeds from sale of plant and equipment		--	909
Payments for exploration expenditure		(83,155)	(341,371)
Proceeds from sale of investments		33,434	5,837
Loans repaid to other entities		--	(42,322)
Refund of bonds		--	9,000
Net Cash Flows Used In Investing Activities		(49,721)	(367,947)
Cash Flows From Financing Activities			
Proceeds from borrowings		10,000	--
Net Cash Flows Provided By Financing Activities		10,000	--
Net decrease in cash and cash equivalents held		(452,859)	(527,313)
Cash and cash equivalents held at the beginning of the year		468,522	995,835
Cash and cash equivalents held at the end of the year	2(a)	15,663	468,522

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

Notes to the Financial Statements for the year ended 30 June 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Consolidated Global Investments Limited and its controlled entities ("the Consolidated Entity"). The separate financial statements of the parent entity, Consolidated Global Investments Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The significant policies, which have been adopted in the preparation of this financial report, are:

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. Consolidated Global Investments Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue by the Board on 26 September 2014.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Company and Consolidated Entity recorded net losses of $845,786 and $815,594 respectively and the Consolidated Entity had net cash outflows from operating activities of $413,138 for the year ended 30 June 2014. As at that date, the Company and Consolidated Entity had net current liabilities of $1,099,807 and $1,058,698 and net liabilities of $1,037,805 and $1,058,698 respectively. The ability of the Company and Consolidated Entity to continue as going concerns is dependent on a combination of a number of factors, the most significant of which is the ability of the Company and Consolidated Entity to successfully defend the Statutory Demand from a convertible note holder totaling $390,000. These financial conditions indicate significant uncertainty whether the Company and Consolidated Entity will continue as going concerns and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe, after taking account of these financial conditions, that the going concern basis of accounting is appropriate, which has been determined after consideration of the following factors:

- The Company has successfully negotiated with a number of related party creditors who have agreed to subordinate their debts to allow for third party trade creditors to be paid in priority;
- As disclosed in Note 22 to the financial statements, the Company has entered into a secured loan agreement with Finebase Holdings Pty Ltd as trustee for the Finebase Trust for loan funding up to $200,000; and
- The Company plans to resolve in its favour, the dispute in relation to a statutory demand from a convertible note holder as announced by the Company in its ASX release dated 25 March 2014.

Accordingly, the directors believe that the Company and Consolidated Entity will obtain sufficient cash flows to enable them to continue as going concerns and that it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company and Consolidated Entity do not continue as going concerns.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards.

(b) New and Revised Accounting Standards and Interpretations

The Consolidated Entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity. The Consolidated Entity's assessment of the new and amended pronouncements that are relevant to the Consolidated Entity but applicable in future reporting periods is set out below:

AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2017
AASB 2012-3	Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 principally amends AASB 7 Financial Instruments: *Disclosures* to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities, on the entity's financial position, when the offsetting criteria of ASB 132 are not all met.	1 January 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non- Financial Assets	Address inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.	1 January 2014
AASB 2013-6	Amendments to AASB 136 arising from Reduced Disclosure Requirements	Amends AASB 136 Impairment of Assets to establish reduced disclosure requirements for Tier 2 entities arising from AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.	1 January 2014

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Consolidated Global Investments Limited as at 30 June 2014 and the results of all subsidiaries for the year then ended. Consolidated Global Investments Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Current and Non Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Current and Non Current Classification *(continued)*

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non current.

Deferred tax assets and liabilities are always classified as non current.

(e) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Plant and Equipment *(continued)*

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value or prime cost method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	2.5 – 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(g) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Exploration and Development Expenditure *(continued)*

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Investments and Other Financial Assets *(continued)*

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

(i) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, is transferred to entities in the consolidated entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Revenue

Revenue from the sale of financial assets is recognised upon execution of the contract for sale.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and service tax (GST).

(o) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(q) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

(r) Loss per share

(i) *Basic Loss per share*
Basic loss per share is determined by dividing the operating loss after income tax attributable to members of Consolidated Global Investments Limited by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Loss per share*
Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(s) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Share Based Payments

The Consolidated Entity provides benefits to employees (including senior executives) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). The Consolidated Entity does not provide cash settled share based payments.

The cost of equity settled transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the market price of the Consolidated Entity's shares on the Australian Securities Exchange.

The cost of equity settled transactions are recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period. No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

(u) Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company is of the view that there are no critical accounting estimates and judgments in this financial report.

(v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 2: NOTES TO THE STATEMENT OF CASH FLOWS

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
(a) Reconciliation of cash		
Cash balance comprises:-		
Cash on hand	41	67
Cash at bank	15,622	38,455
Cash on deposit	--	430,000
Closing cash balance	15,663	468,522
(b) Reconciliation of loss for the year to the net cash flows from operations		
Loss for the year	(815,594)	(782,585)
Non-cash items:		
- Depreciation	263	529
- Unrealised loss on investments	4,000	18,854
- Diminution in value of investments	5,675	16,692
- Equity settled share based payments	--	110,000
- (Gain)/loss on sale of investments	(19,875)	8,113
- Loss on sale of plant and equipment	--	374
- Plant and equipment written off	262	--
Other		
- Exploration expenditure written off	83,155	341,371
Movements in assets and liabilities:		
- Receivables	34,963	5,055
- Payables	294,013	122,231
Net cash flows used in operating activities	(413,138)	(159,366)

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

	CONSOLIDATED	
	2014	2013
NOTE 3: REVENUE	$	$
Revenue		
Interest received	7,099	29,823
Unrealised loss on investments	(4,000)	(18,854)
Profit/(loss) on sale of investments	19,875	(8,113)
Loss on disposal of plant and equipment	--	(374)
	22,974	2,482

NOTE 4: LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted losses per share:

Loss for the year	(815,594)	(782,585)
Losses used in calculating basic and diluted loss per share	(815,594)	(782,585)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic and diluted loss per share:	91,368,304	86,214,879

NOTE 5: INCOME TAX

No income tax is payable by the Company as it incurred a loss for tax purposes for the year and has available recoupable income tax losses at balance date. The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating loss. The differences are calculated as follows:

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 5: INCOME TAX *(continued)*

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Loss before income tax	(815,594)	(782,585)
Income tax calculated at 30%	(244,678)	(234,776)
Non allowable expenditure	27,902	146,080
Deferred tax asset not recognised	216,776	88,696
Income tax attributable to operating loss	**--**	**--**
Deferred tax asset arising from tax losses not brought to account at reporting date as realisation of the benefit is not regarded as probable. The deferred tax asset not brought to account has been calculated at the company tax rate of 30%.	1,926,124	1,768,874

The deferred tax asset will only be obtained if:-

- the Company derives future assessable income of a nature and of an amount sufficient to enable the asset to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the asset.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	41	67
Cash at bank	15,622	38,455
Cash on deposit	--	430,000
	15,663	468,522

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Accrued income	--	2,397
Goods and services tax on purchases	28,328	49,434
Prepayments	--	11,460
	28,328	63,291

Current receivables with a short duration are not discounted and the carrying values are assumed to approximate the fair value.

Credit Risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTE 8: OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	2014	**2013**
	$	**$**
CURRENT		
Financial assets at fair value through profit or loss		
Listed investments at fair value:		
Shares in other entities	7,006	29,856
Options in other entities	--	384
	7,006	30,240
Held to maturity financial assets		
Unlisted investments in other entities	50,000	50,000
	57,006	80,240

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

	CONSOLIDATED	
	2014	**2013**
	$	**$**
NOTE 9: PLANT AND EQUIPMENT		
Plant and equipment at cost	1,950	1,950
Less: accumulated depreciation	(1,950)	(1,425)
Total plant and equipment	--	525
Reconciliation of the carrying amount for plant and equipment is set out below:		
Carrying amount at beginning of year	525	2,337
Depreciation expense	(263)	(529)
Loss on disposal of plant and equipment	--	(1,283)
Plant and equipment written off	(262)	--
Carrying amount at end of year	--	525

NOTE 10: MINERAL EXPLORATION AND EVALUATION EXPENDITURE

Balance at beginning of year	--	--
Exploration expenditure incurred during year	83,155	341,371
Expenditure written off	(83,155)	(341,371)
Balance at end of year	--	--

NOTE 11: TRADE AND OTHER PAYABLES

Trade creditors and accruals	741,695	555,682

Terms and conditions:

Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the entity. Creditors are paid and cleared in a 30 day cycle. The notional amount is deemed to reflect the fair value.

NOTE 12: BORROWINGS

Current

(a) Loan – secured	10,000	--
(b) Convertible notes – unsecured	300,000	300,000
(c) Convertible notes – unpaid interest	108,000	--
	418,000	300,000

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 12: BORROWINGS *(continued)*

Terms and conditions:
(a) Loan – secured
Subsequent to year end, the Company has entered into a secured loan agreement under which Finebase will loan up to $200,000 to the Company. The $10,000 provided at year end forms part of this facility.

The key terms of the Loan Agreement are as follows:
- The interest payable under the loan is 7.97% per annum. Interest is payable monthly in arrears at the interest rate and is calculated on the daily balance of the Loan on the basis of a 365 day year;
- The Loan is repayable 12 months from the date the first advance is made to the Company. The Borrower however may repay the whole or any part of the amount then outstanding at any time and from time to time on any date on which interest is payable; and
- If an event of default occurs, the Company must repay the Loan and any interest in cash including the balance of any other amounts outstanding, within 20 business days of Finebase issuing a written notice requiring repayment.

(b) Convertible notes - unsecured

Issue Date	Amount $	Interest Rate	Convertible On or Before
20 August 2008	300,000	12% per annum	31 August 2012 (i)

The notes are convertible into shares at any time on or before the conversion date at the option of either the Company or the lender.

The notes issued are convertible to shares and options at the option of the holder at the lower of $0.016 or 80% of the average weighted price of the shares traded on ASX during the five business days before the date on which the notice of conversion is received by the Company.

If the lender has not been repaid and has not converted 30 days prior to the end of the term of the notice, the Company, by issuing a notice to the holder, may convert the notes to shares and options as per the conversion terms and conditions.

If the lender has not converted by the end of the term of the note, the Company must repay the lender.

(i) The convertible notes issued on 20 August 2008 were not converted on 31 August 2012 and expired on this date. The terms of the agreement have not since this date been extended. Correspondingly, the principal amount outstanding including any interest outstanding has been classified as current.

NOTE 13: ISSUED CAPITAL

	2014 No. Shares	2014 $	2013 No. Shares	2013
(a) Issued capital				
Ordinary shares fully paid	91,368,304	39,560,120	91,368,304	39,560,120

(b) Movements in shares on issue

	2014 No. Shares	2014 $	2013 No. Shares	2013 $
Beginning of financial year	91,368,304	39,560,120	80,368,304	39,450,120
18/12/12 Pursuant to shareholder approval at a General Meeting held on 22 November 2012	--	--	11,000,000	110,000
Less: transaction costs	--	--	--	--
End of financial year	91,368,304	39,560,120	91,368,304	39,560,120

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 13: ISSUED CAPITAL *(continued)*

(c) Share Options

Options over ordinary shares:
An employee option plan has been established where directors are issued with options over ordinary shares of Consolidated Global Investments Limited. The options, issued for no consideration are issued in accordance with performance guidelines established by the directors of Consolidated Global Investments Limited. The options are not quoted on the Australian Securities Exchange.

During the year, no options over ordinary shares expired.

During the year, no options over ordinary shares were issued.

During the year, no options over ordinary shares were exercised.

As at 30 June 2014, no options existed over the ordinary shares of the Company.

(d) Terms and conditions of issued capital

Ordinary Shares
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the Company.

(e) Capital risk management

When managing capital, management’s objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2014 and no dividends are expected to be paid in 2015.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

	CONSOLIDATED	
	2014	**2013**
NOTE 14: REMUNERATION OF AUDITORS	**$**	**$**
Amount paid or due and payable to RSM Bird Cameron Partners for:		
- Audit and review services	18,500	21,500

NOTE 15: KEY MANAGEMENT PERSONNEL

Names and positions of Key Management Personnel in office at any time during the financial year:

John Palermo	Executive director
Leigh Anthony Coleman	Non-executive director
Paul Anthony Ingram	Non-executive director

Remuneration Policy

Refer to Remuneration Report, which is included in the Directors' Report.

Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid or payable to the Company's key management personnel for the year ended 30 June 2014.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Short term employee benefits	286,990	5,975
Equity based payments	--	110,000
	286,990	115,975

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties (Note 11).

Current Payables relating to:		
John Palermo and director related entities	419,790	364,480
Leigh Coleman and directors related entities	250,000	-
Total	669,790	364,480

Details of loans from directors of Consolidated Global Investments Limited and other key management personnel of the group, including their close family members and entities related to them, are set out below.

Aggregates for Key Management Personnel	**Note**	**Loan Amount**	**Interest Charged**	**Total**
		$	**$**	**$**
Finebase Holdings Pty Ltd (John Palermo)	12	10,000	--	10,000
		10,000	--	10,000

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 15: KEY MANAGEMENT PERSONNEL *(continued)*

Share Holdings

2014	Balance 01/07/13 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised (No. of Shares)	Net Other Change (No. of Shares)	Balance 30/06/14 (No. of Shares)
J Palermo	57,197,501	--	--	(160,000)	57,037,501
L A Coleman	3,010,000	--	--	--	3,010,000
P A Ingram	1,000,000	--	--	--	1,000,000
Total Directors	61,207,501	--	--	(160,000)	61,047,501

2013	Balance 01/07/12 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised (No. of Shares)	Net Other Change (No. of Shares)	Balance 30/06/13 (No. of Shares)
J Palermo	49,722,185	7,500,000	--	(24,684)	57,197,501
L A Coleman	510,000	2,500,000	--	--	3,010,000
P A Ingram	--	1,000,000	--	--	1,000,000
Total Directors	50,232,185	11,000,000	--	(24,684)	61,207,501

Shares granted as compensation

11,000,000 shares were granted to the directors during the year ended 30 June 2013 with a fair value, by reference to the market traded price at grant date, of $0.01 per share.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 15: KEY MANAGEMENT PERSONNEL *(continued)*

Options Holdings

2014	**Balance 01/07/13 (No. of Options)**	**Received Remuneration (No. of Options)**	**No. of Options Exercised (No. of Options)**	**Net Other Change (No. of Options)**	**Balance 30/06/14 (No. of Options)**
J Palermo	--	--	--	--	--
L A Coleman	--	--	--	--	--
P A Ingram	--	--	--	--	--
Total Directors	--	--	--	--	--

2013	**Balance 01/07/12 (No. of Options)**	**Received Remuneration (No. of Options)**	**No. of Options Exercised (No. of Options)**	**Net Other Change (No. of Options)**	**Balance 30/06/13 (No. of Options)**
J Palermo	--	--	--	--	--
L A Coleman	--	--	--	--	--
P A Ingram	--	--	--	--	--
Total Directors	--	--	--	--	--

Options granted as compensation

There were no options issued as part of director remuneration for the year ended 30 June 2014.

Options exercised during the year that were granted as compensation in prior periods

There were no options exercised during the year ended 30 June 2014, that were issued as compensation in prior periods.

Transactions with Key Management Personnel

Either individually or through companies under his control, Mr J Palermo has received or will receive payment for the provision of administration, public and investor relations, company secretarial and corporate advisory under normal commercial terms and conditions.

The aggregate amount of payments, other than the primary fees disclosed in the remuneration report, for the above mentioned services provided in the ordinary course of business are as follows:

	2014 $	**2013 $**
Other services	198,646	31,024

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 16: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Consolidated Global Investments Limited and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest		Book Value of Shares held by Parent Entity	
		2014 $	2013 $	2014 $	2013 $
Mount Resources Pty Ltd	AUS	100%	100%	1	1
Orotel Pty Ltd	AUS	100%	100%	1	1
Century Hill Pty Ltd	AUS	100%	100%	10,000	10,000
Valley Point Pty Ltd	AUS	100%	100%	52,000	52,000
				62,002	62,002

NOTE 17: COMMITMENTS FOR EXPENDITURE

(a) Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Company will be required to outlay in the year ended 30 June 2015 amounts of $146,800 in respect of minimum tenement expenditure requirements and lease rentals. These non-cancellable obligations are not provided for in the financial statements and are payable as follows:

	2014 $	2013 $
Not later than one year	146,800	197,550
Later than one year but not later than 2 years	146,800	197,550
Later than 2 years but not later than 5 years	440,400	592,650
	734,000	987,750

NOTE 18: SEGMENT INFORMATION

The Company has identified 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 Company operates as a single segment which is exploration activities relating to minerals within Australia.

The Company is domiciled in Australia.

All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located. Operating revenues of approximately Nil (2013 - Nil) are derived from a single external party.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Company's policy that trading in financial instruments may be undertaken.

The main risk arising from the Company's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 7 in the case of credit risk and Note 13 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Consolidated

	Weighted Average Effective Interest Rate %		Non Interest Bearing $		Fixed Interest Rate $		Floating Interest Rate $		Total $	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Financial assets										
- Cash	3.57	3.96	41	--	--	430,000	15,622	38,522	15,663	468,522
- GST receivable			28,328	49,434	--	--	--	--	28,328	49,434
- Accrued income			--	2,397	--	--	--	--	--	2,397
- Prepayments			--	11,460	--	--	--	--	--	11,460
- Other financial assets	12.00	12.00	57,006	80,240	--	--	--	--	57,006	80,240
Total financial assets			85,375	143,531	--	430,000	15,622	38,522	100,997	612,053
Financial liabilities										
- Convertible notes	12.00	12.00	108,000	--	300,000	300,000	--	--	408,000	300,000
- Creditors and accruals			508,256	555,682	233,439	--	--	--	741,695	555,682
- Loans from other entities	7.97	--	--	--	10,000	--	--	--	10,000	--
Total financial liabilities			616,256	555,682	543,439	300,000	--	--	1,159,695	855,682
Net financial (liabilities) /assets			(530,881)	(412,151)	(543,439)	130,000	15,622	38,522	(1,058,698)	(243,629)

Interest Rate Sensitivity

At 30 June 2014, if interest rates had changed by 10% during the entire year with all other variables held constant, profit for the year and equity would have been $710 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% increase sensitivity would move short term interest rates at 30 June 2014 from around 3.57% to 3.93% (10% decrease: 3.21%) representing a 36 basis points shift.

Based on the sensitivity analysis, only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

	CONSOLIDATED	
	2014	2013
	$	$
Contracted maturities of payable at 30 June		
Payables		
- less than 6 months	741,695	555,682
Convertible notes		
- less than 12 months	408,000	300,000
- greater than 12 months	--	--
Loans		
- less than 12 months	10,000	--
	1,159,695	855,682

Commodity Price Risk

The Company is not exposed to commodity price risk as the operations of the Company are not yet at the production stage.

Foreign Exchange Risk

The Company is not exposed to foreign exchange risk as all transactions of the Company are in Australian dollars.

	CONSOLIDATED	
	2014	2013
	$	$
Reconciliation of Net Financial Liabilities to Net Liabilities		
Net financial liabilities	(1,058,698)	(243,629)
Property, plant and equipment	--	525
Mineral exploration and evaluation expenditure	--	--
Net liabilities	(1,058,698)	(243,104)

Net Fair Values

Financial assets at fair value through profit or loss amounting to $7,006 at 30 June 2014 (2013: $30,240) are valued using quoted prices in active markets for that identical asset.

For other assets and liabilities the net fair value approximates their carrying value. The Company has no financial assets where the carrying amount exceeds net fair values at reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 20: FAIR VALUE MEASUREMENT

Fair value hierarchy
The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Unobservable inputs for the asset or liability.

Consolidated – 2014	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Ordinary shares at fair value through profit or loss	7,006	--	--	--
Total assets	7,006	--	--	--
Liabilities				
Total liabilities	--	--	--	--

Consolidated - 2013	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Ordinary shares at fair value through profit or loss	30,240	--	--	--
Total assets	30,240	--	--	--
Liabilities				
Total liabilities	--	--	--	--

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within Level 2 and Level 3
The Consolidated Entity does not have any level 2 or level 3 assets.

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 21: CONTINGENT LIABILITIES

The directors of the Company are unaware of any existing contingent liabilities, other than the matters referred to in the Directors' Report regarding the Statutory Demand for the Convertible Note.

NOTE 22: EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to the end of the financial year ended 30 June 2014, the following event had occurred:

- On 11 July 2014, the Company announced it had entered into a secured loan agreement with Finebase Holdings Pty Ltd as trustee for the Finebase Trust, under which Finebase will loan up to $200,000 to the Company (refer to Note 12 for Terms and Conditions).

Notes to the Financial Statements for the year ended 30 June 2014 *(continued)*

NOTE 23: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2014 $	2013 $
Total Current Assets	43,965	518,456
Total Assets	105,967	580,983
Total Current Liabilities	1,143,772	773,002
Total Liabilities	1,143,772	773,002
Net Liabilities	(1,037,805)	(192,019)
Equity		
Issued capital	39,560,120	39,560,120
Accumulated losses	(40,597,925)	(39,752,139)
Total Deficiency	(1,037,805)	(192,019)

(b) Financial Performance

	2014 $	2013 $
Loss for the year	(845,786)	(752,754)
Other comprehensive income	--	--
Total Comprehensive Loss	(845,786)	(752,754)

(c) Guarantees

Consolidated Global Investments Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Other Commitments and Contingencies

Consolidated Global Investments Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

(e) Capital commitments – Property, plant and equipment

The parent entity had no commitments for property, plant and equipment as at 30 June 2014 and 30 June 2013.

(f) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in Note 1.

ASX Additional Information

1. QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES

(i) DISTRIBUTION OF SHAREHOLDERS AS AT 25 SEPTEMBER 2014:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 - 1,000	489	254,207	0.28
1,001 - 5,000	288	645,540	0.71
5,001 - 10,000	101	866,959	0.95
10,001 - 100,000	94	2,962,378	3.24
100,001+	52	86,639,220	94.82
	1,024	91,368,304	100.00

The number of shareholdings held in less than marketable parcels is 988.

(ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

NAME		NO. OF SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1.	Finebase Holdings Pty Ltd	49,485,000	54.16
2.	Monarch Corporation Pty Ltd	9,139,800	10.00
3.	Finebase Holdings Pty Ltd	7,500,000	8.21
4.	Mr L J Coleman	2,510,000	2.75
5.	Mr T N Hay	1,158,499	1.27
6.	Mr P Ingram	1,000,000	1.09
7.	DF Lynton-Brown Pty Ltd	956,360	1.05
8.	Bell Potter Nominees Ltd	916,500	1.00
9.	Mr R R Roget & Mrs M Roget	850,000	0.93
10.	Mr J Peterson & Mrs L Peterson	833,000	0.91
11.	Mr A Varela	802,250	0.88
12.	Primelane Pty Ltd	784,874	0.86
13.	First Success Management Ltd	612,710	0.67
14.	Reactive Resources Pty Ltd	600,000	0.66
15.	ZZ Management Pty Ltd	500,000	0.55
16.	Megisti Pty Ltd	500,000	0.55
17.	Coastpark Pty Ltd	485,469	0.53
18.	Reton Holdings Pty Ltd	450,000	0.49
19.	Pentin Pty Ltd	416,500	0.46
20.	Group #889239 Trayburn Pty Ltd	408,500	0.45
		79,909,462	87.47

ASX Additional Information *(continued)*

1. QUOTED SECURITIES *(continued)*

(iii) VOTING RIGHTS

No restrictions - on a show of hands every member present in person or by proxy shall have one vote and upon a poll, each fully paid share shall have one vote.

(iv) SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as recorded in the Register of Members as at 25 September 2014;

Name	Ordinary Shares No.	%
Finebase Holdings Pty Ltd	56,985,000	62.37
Monarch Corporation Pty Ltd	9,139,800	10.00

2. UNQUOTED SECURITIES

As at 25 September 2014 there were no unquoted securities on issue.

Corporate Governance Statement

Consolidated Global Investments Limited ("the Company") is committed to implementing and maintaining the highest standards of corporate governance. The primary responsibility of the Board of the Company ("the Board") is to represent and advance the Company's shareholders' ("the Shareholders") interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for its employees and monitoring achievement of these goals.

The Company adopts the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* released in 2007 ("the Recommendations") to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company's compliance with the Revised Corporate Governance Principles and Recommendations is summarised in the table below:

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1		✓	Recommendation 4.2		✓
Recommendation 1.2		✓	Recommendation 4.3		✓
Recommendation 1.3	✓		Recommendation 4.4		✓
Recommendation 2.1	✓		Recommendation 5.1	✓	
Recommendation 2.2		✓	Recommendation 5.2	✓	
Recommendation 2.3		✓	Recommendation 6.1		✓
Recommendation 2.4		✓	Recommendation 6.2		✓
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2		✓
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4	✓	
Recommendation 3.3	✓		Recommendation 8.1		✓
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5		✓	Recommendation 8.3		✓
Recommendation 4.1		✓			

[1] Indicates where the Company has followed the Principles & Recommendations and summarised those practices below.
[2] Indicates where the Company has provided an "if not, why not" disclosure below.

In acknowledging the Key Messages of the first review of the corporate governance reporting under the Revised Corporate Governance Principles and Recommendations by ASX Markets Supervision ("ASXMS"), the Company has provided additional disclosure for each of the 29 recommendations. Where the Company has departed from a recommendation, the Company has provided substantive reasons and refers to material containing additional disclosure, as relevant.

The "if not, why not" disclosure of the Company is summarised in the table below:

Corporate Governance Statement *(continued)*

Recommendation	Explanation of Departure from Recommendation
1.1, 1.2	The Company has not appointed any senior executives (excluding the Company Secretary). Therefore, full disclosure of the functions delegated to senior executives, and the evaluation of executives' performance under Recommendation 1.1 and 1.2 is not required.
2.2	The role of the Chairperson is undertaken by the executive Director who also occupies the role as Company Secretary and acting Chief Executive Officer ("the CEO") and is, therefore, not independent.
2.3	The Company has not appointed a CEO. However, the functions of the CEO are undertaken by the executive Director, who also occupies the roles of Chairperson and Company Secretary.
2.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent nomination committee, or to establish a formal nomination policy.
3.5	Given the Company's small size and stage of development as an exploration company, it is not appropriate to establish a formal gender diversity policy.
4.1, 4.2, 4.3, 4.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent audit committee, or to establish a formal audit policy.
6.1, 6.2	Owing to the size and composition of the Board, it is not appropriate to establish a formal policy to promote effective communication with Shareholders and encourage their participation at meetings.
7.2	As the Company has not appointed senior management, the Board assumes responsibility for the design and implementation of risk management and internal control systems.
8.1, 8.3	Owing to the size and composition of the Board, it is not appropriate to establish an independent remuneration committee. Details of the Company's remuneration policy are set out in the Remuneration Report in the Director's Report.

It is noted that as the Company's activities develop in size, nature and scope, the Company's corporate governance policies and processes will continue to be reviewed and improved as resources permit.

1. BOARD OF DIRECTORS

1.1. Role of Board

The Board is responsible for setting the strategic direction and establishing and overseeing the policies and financial position of the Company, and monitoring the business and affairs on behalf of its Shareholders, by whom the directors of the Company ("the Directors") are elected and to whom they are accountable.

Further, the Board takes specific responsibility for:

- Protecting and enhancing Shareholder value;
- Formulating, reviewing and approving the objectives and strategic direction of the Company;

Corporate Governance Statement *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.1. Role of Board *(continued)*

- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- Ensuring that adequate internal control systems and procedures (including financial, risk management, occupational health and safety, environmental management systems and procedures) exist and that compliance with these systems and procedures is maintained;
- Identifying significant business risks and ensuring that such risks are adequately managed;
- Appointing Directors to the Board;
- Monitoring and reviewing the performance and remuneration of Directors;
- Monitoring and evaluating the Company Secretary's performance;
- Establishing and maintaining appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Board is responsible for establishing a culture and framework that supports corporate governance, including creating the strategic direction for the Company, establishing goals for employees and the Company Secretary and monitoring the achievement of these goals.

The Company has a formal Board Charter, which is available from the Company on request. In broad terms, the Board is accountable to the Shareholders and must ensure that the Company is properly managed to protect and enhance Shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

As at the date of this Annual Report, the Company has not employed any senior executives; therefore, disclosure under Recommendations 1.2 and 1.3 is not required.

1.2. Terms of Office of Directors

The constitution of the Company ("the Constitution") specifies that one third of the Directors, excluding the Managing Director, shall rotate on an annual basis. It is noted that, as at the date of this Annual Report, the Company has not appointed a Managing Director.

Corporate Governance Statement *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.3. Composition of the Board and Independence

The Directors in office at the date of this Annual Report are:

Name	Position	Independent	Expertise
Mr John Palermo	Executive Director	No	Refer to Director's Report
Mr Leigh Anthony Coleman	Non-executive Director	Yes	Refer to Director's Report
Mr Paul Anthony Ingram	Non-executive Director	Yes	Refer to Director's Report

The Board considers the majority of Directors to be independent, commensurate with Recommendation 2.1. Mr John Palermo is not considered to be independent, owing to his dual position with the Company as executive Director, Company Secretary and CEO equivalent. Notwithstanding their small shareholdings, Messrs Coleman and Ingram are considered to be independent as they are not substantial shareholders or otherwise related to, or engaged by, the Company in any other capacity.

Owing to the size and structure of the Company, the roles of the Chairperson and CEO equivalent are occupied by the same Director.

The Company has not established a formal policy for the nomination and appointment of Directors. However, the composition of the Board is determined using the following principles:

- The Board comprises three (3) Directors; however, this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
- The Board should comprise Directors with a broad range of expertise.

The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a panel of candidates with the appropriate expertise and experience. Potential candidates are identified by the Board with advice from an external consultant, if necessary. The Board then appoints the most suitable candidate who must stand for election at a general meeting of Shareholders.

The Company does not currently have a formal gender diversity policy in place. However, its recruitment is fundamentally driven by identifying the best candidate for all positions regardless of gender. Based on the current scale of activities of the Company, there is no set objective to achieve a certain percentage of female employees in the workforce.

The Board does not currently believe that the adoption of a formal gender diversity policy would significantly improve the functions currently performed by the Board.

Given the Company's small size and stage of development as an exploration company, the Board considers it impractical at this time to set measurable diversity objectives and adopt a formal gender diversity policy.

The Company currently has no employees. There are no women in senior executive positions or on the Board. However, while the Board considers this to be appropriate at this stage of the Company's development, the Company will review this requirement annually as the circumstances of the Company change.

Corporate Governance Statement *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.3. Composition of the Board and Independence *(continued)*

The Company does not have a formal gender diversity policy at this stage of development, and consequently, did not provide the information indicated in the Guide to reporting on Principle 3.

1.4. Monitoring of Board Performance

In accordance with Recommendation 2.5, the Directors' performance is reviewed by the Chairperson on an ongoing basis. In the event that any Director's performance is considered to be unsatisfactory, that Director will be asked to retire from the Board. The Chairperson's performance is reviewed by the remaining two Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Directors' performance during the course of the year ("the Guidelines"). Those Guidelines include minimum requirements for attendance at all Board and Shareholder meetings, whereby the non-attendance of a Director at more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed.

1.5. Independent Professional Advice

Each Director has the right, in connection with his/her duties and responsibilities as a Director, to seek independent professional advice at the Company's expense. However, prior approval of the Chairperson is required, which will not be unreasonably withheld.

1.6. CEO and CFO Attestations

As at the date of this Annual Report, the Company has not appointed a CEO or chief financial officer ("the CFO"). Due to the size and scale of the Company's operations, these roles are currently performed by the Board, specifically Mr John Palermo who is primarily responsible for financial matters in relation to the Company.

In lieu of the CEO and CFO's attestations, Mr John Palermo certifies to the Board that:

- The Company's financial statements are complete and present a true and fair view, in all material aspects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards ("the Executive Director's Statement"); and
- The Executive Director's Statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating effectively and efficiently in all material aspects.

2. BOARD COMMITTEES

2.1. Nomination Committee

Owing to its size and composition, the Company has not established a separate nomination committee in accordance with Recommendation 2.4.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee.

Corporate Governance Statement *(continued)*

2. BOARD COMMITTEES *(continued)*

2.1. Nomination Committee *(continued)*

In any event, the Board consists of only three members, which is the minimum composition recommended for a nomination committee pursuant to Recommendation 2.4.

The Board does not have a separate charter for its nomination and succession planning functions; however, the responsibilities of the Board ordinarily include the nomination functions described in section 1.3 of this Corporate Governance Statement.

2.2. Audit Committee

Owing to its size and composition, the Company has not established a separate audit committee in accordance with Recommendation 4.1.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum number recommended for an audit committee pursuant to Recommendation 4.2.

The Directors are all financially literate. Mr John Palermo - Director, Company Secretary and acting CEO - holds financial qualifications and is a Chartered Accountant. The Directors have, together, accumulated sufficient technical expertise in other directorships to provide valuable insight and technical knowledge, allowing the Board to verify and safeguard the integrity of the Company's financial statements.

Preserving the spirit of Principle 4, the external auditor has full access to the Board throughout the year.

The Board does not have a separate charter for its audit functions; however, the responsibilities of the Board (as set out in section 1.1 of this Corporate Governance Statement) ordinarily include:

- Reviewing internal controls and recommending enhancements;
- Monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- Improving the quality of the accounting function;
- Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by the Company; and
- Liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Board reviews the performance of the external auditors on an annual basis and nomination of auditors is as the discretion of the Board.

2.3. Remuneration Committee

Owing to its size and composition, the Company has not established a separate remuneration committee in accordance with Recommendation 8.1.

Corporate Governance Statement *(continued)*

2. BOARD COMMITTEES *(continued)*

2.3. Remuneration Committee *(continued)*

The Board considers that the responsibility for the selection and appointment of Directors can be adequately discharged by the Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for an audit committee pursuant to Recommendation 8.1.

The Board does not have a separate charter for its remuneration functions; however, the Board is vested with the responsibility to review remuneration packages and policies (including remuneration, incentives, termination policies and superannuation arrangements) applicable to each of the Directors and the Company Secretary. Remuneration levels are competitively set to attract the most qualified and experienced Directors for the benefit of the Company and Shareholders. The Board obtains independent advice on the appropriateness of remuneration packages.

In making decisions with respect to appropriate remuneration and incentive policies for executive Directors and the Company Secretary, the Board's objectives are to:

- Motivate executive Directors and the Company Secretary to pursue the long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear correlation between key performance and remuneration; and
- Align the interests of key leadership with the long-term interests of the Company's Shareholders.

Shareholder approval is also required to determine the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for non-executive Directors is currently set at $250,000 per annum. Non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements and are not entitled to participate in equity-based remuneration schemes of the Company.

Full disclosure of the Company's remuneration philosophy and framework, and the remuneration received by Directors in the current period, is set out in the remuneration report, which is contained within the Directors' Report ("the Remuneration Report"). This Remuneration Report clearly distinguishes the remuneration provided for non-executive Directors and executive Directors.

3. ETHICAL STANDARDS

The Company has established a formal Code of Conduct ("the Code") as per Recommendation 3.1, which is available from the Company on request.

The Code outlines the Company's expectations of Directors, the Company Secretary and employees and its related bodies corporate in relation to their behaviour and the way business is conducted in the workplace on a range of issues. Directors, the Company Secretary and employees are committed to acting with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Directors, the Company Secretary and employees must conduct themselves in a manner consistent with the expectations of its stakeholders, commensurate with prevailing community and corporate standards, and must take responsibility for upholding the Company's legal obligations. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

Corporate Governance Statement *(continued)*

4. DIRECTORS' DEALINGS IN COMPANY SHARES

The Company has implemented a formal trading policy as required by Recommendation 3.2 entitled *Guidelines for Dealing in Securities*. This policy applies to Directors, the Company Secretary, employees and contractors of the Company, and is available from the Company on request.

In addition, Directors must notify the Australian Securities Exchange of any acquisition or disposal of shares by lodgement of a Notice of Director's Interests. Board policy is to prohibit Directors, the Company Secretary and employees from dealing in shares of the Company whilst in possession of price sensitive information.

5. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company has implemented a formal Continuous Disclosure and Information Policy as suggested in Recommendation 5.1, which is available from the Company on request. This policy was introduced to ensure the Company achieves compliance with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

The Board aims to ensure that the Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to Shareholders through:

- The Annual Report which is distributed to all Shareholders;
- Half-yearly reports, quarterly reports and all ASX announcements which are posted on the Company's website;
- The Annual General Meeting and other meetings so called to obtain Shareholder approval for Board action as appropriate; and
- Compliance with the continuous disclosure requirements of the ASX Listing Rules.

The Company's auditor is required to be present, and be available to Shareholders, at the Annual General Meeting.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has a formal privacy policy ("the Privacy Policy"), which is available from the Company on request. The Company is committed to respecting the privacy of Shareholders' personal information. The Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating Shareholders' information and the security of that information.

The Board has not adopted any additional codes of conduct or communications policies to promote effective communication with Shareholders and encourage their participation at general meetings in accordance with Recommendation 6.1. This is because the Board considers, in the context of the size and nature of the Company, that a communications policy would not improve the effective exercise of the Shareholders' rights at general meetings.

Nevertheless, the Company informally adopts several of the suggestions in Recommendation 6, including communicating to Shareholders electronically, and uploading its formal codes and policies to the Company's website.

Corporate Governance Statement *(continued)*

7. RECOGNISE AND MANAGE RISK

Due to the size and scale of the Company and the Board, a separate committee has not been established to oversee risk management. However, the Board has established a formal risk management policy to recognise and manage risk, as recommended by Recommendation 7.1. This risk management policy is available from the Company on request.

Risk management is a priority for the Board who remains vigilant in creating a culture, processes and structures directed to optimising the Company's opportunities whilst minimising and managing potential material business risks.

Risk oversight, management and internal control are dealt with on a continuous basis by the Board, with differing degrees of involvement from various Directors and the Company Secretary, depending upon the nature and materiality of the matter.

The Board continuously reviews material business risks to identify whether the system for identifying and reporting risks is being managed effectively. Determined areas of risk which are regularly considered include:

- Performance and funding of research and development activities;
- Budget control and asset protection;
- Status of intellectual property;
- Compliance with government laws and regulations;
- Safety and the environment;
- Continuous disclosure obligations; and
- Sovereign risk.

As the Company has not appointed a CEO (or equivalent) or CFO (or equivalent), an assurance under s295A of the Corporations Act has been made by Mr John Palermo, who performs the function of the CEO for this purpose.

The Annual Report sets out the categories of financial risk applicable to the Company, which are contained in the Notes to the Financial Statements in the Annual Report.