



**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**Financial Report for the Financial Year Ended 30 June 2014**

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**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**DIRECTORS REPORT**

The Directors of Sinovus Mining Limited ("Sinovus" or the "Company") present their report, together with the financial statements of the Group, being the Company and its controlled entities ("Consolidated Group"), for the financial year ended 30 June 2014.

**PRINCIPAL ACTIVITIES**

The principal activities of the Consolidated Group during the financial year ending 30 June 2014 were as follows:

- Evaluation of current and prospective investments and projects
- Ongoing reporting of existing investments

**REVIEW OF OPERATIONS**

During the year, the Consolidated Group's only operation was at the Laogouxi Gold Project. Due to the withdrawal of the joint venture partner in the co-operative joint venture ("CJV"), Heilongjiang Dragon State Resources Co. Ltd the CJV was restored to the original position. The CJV's work programme requirements are still being assessed by the company.

**RESULTS OF OPERATIONS**

The consolidated loss of the Consolidated Group for the financial year attributable to the members of the parent entity after providing for income tax was \$218,799 (2013: \$204,496).

**DIVIDENDS**

No dividends were paid or declared during the Financial Year. No recommendation for payment of a dividend has been made.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs in the company during the year.

**EVENTS SUBSEQUENT TO REPORTING DATE**

These has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature, likely, in the opinion of the Directors of the company, to these affect significantly the operation of the Company, the result of these operations in the state of affairs of the Company in future financial years.

**ENVIRONMENTAL REGULATIONS**

The Consolidated Group is subject to Chinese Government environmental regulation in respect of its joint venture interests in mining and exploration activities.

The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**DIRECTORS REPORT (CONT.)**

**INFORMATION ON DIRECTORS**

The following persons were Directors of Sinovus Mining Limited during the Financial Year and up to the date of this Report:

- David Sutton
- Lisa Fu
- Darrel Causbrook

Details of directors at the date of this report are as follows:

**David Sutton      B.Com      ACIS**  
**Non-Executive Chairman**

David has over 30 years' experience in stock broking and investment banking.

He is currently the principal of Dayton Way Financial Group, a boutique financial services company focusing on the global resources sector which operates in Sydney.

His prior experience includes with other resource focused financial company as well as public companies. He became a member of the Stock Exchange of Melbourne and subsequently, Australian Stock Exchange Limited.

Directorships in other listed entities:

- Silver Mines Limited
- Empire Energy Group Limited
- Precious Metals Investments Limited

**Lisa Fu      B.A      GradDipBusAdm**  
**Non-Executive Director**

Ms Fu holds a Bachelor of Arts degree, and a Graduate Diploma in Business Administration (with Distinction).

Before joining a US Forest Products Group as the Marketing Director for China, Lisa worked for the Bank of China in Shanghai. Since 2005 she has been providing financing and investment solutions to Chinese State-owned companies, private companies and high net-worth entrepreneurs. Ms Fu brings with her a wealth of knowledge on doing business in China

Directorships held in other listed entities: Nil

**Darrel Causbrook      B.Com FCA FCPA AICD   CTA**  
**Non-Executive Director**

Mr Causbrook is a Chartered Accountant with over 30 years' experience in the accounting profession, having worked for both large and mid-sized accounting firms. Over 10 years ago, Mr Causbrook established his own accounting practice, providing business and strategic advice to a variety of industries. Darrel's professional interests include financial reporting and corporate governance.

Directorships held in other listed entities: Nil

**DIRECTORS REPORT (CONT.)**

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

**Nick Tropea      B.Com CPA CTA**

Mr Tropea is a CPA with 30 years' experience in the accountancy profession and has been providing accounting, secretarial and business advice to a wide range of industries. He has held the position of Company Secretary in both public and private companies.

**REMUNERATION REPORT**

This report outlines the remuneration arrangements in place for Directors and executives of Sinovus Mining Limited. The information which follows from the section titled Key Management Personnel Compensation through to the end of the section titled Share options is subject to audit by the external auditor.

**Remuneration Committee**

The Board has not yet formed a separate remuneration committee and all matters that would normally be the responsibility of a remuneration committee are dealt with by the full board of Directors.

Principles used to determine the nature and amount of remuneration are:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Appropriateness for level of operations

**Directors and Key Management Personnel**

The full board of Directors sets remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors.

Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as basic salary, remuneration packages include superannuation. Directors and executives are also able to participate in an Employee Share Acquisition Plan.

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

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time.

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

**Sinovus Mining Limited**  
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**DIRECTORS REPORT (CONT.)**

**Key Management Personnel Compensation**

**Table of benefits and payments for the year end 30 June 2014**

Key Management Person	Short-term Benefits	Post-employment Benefits	Other Benefits	Non cash Benefits	Total
	Cash, salary and directors fee	Superannuation	Termination benefits	Options issued	
	\$	\$	\$	\$	\$
David Sutton	60,000	5,550	-	-	65,550
Lisa Fu	40,000	3,700	-	-	43,700
Darrel Causbrook	40,000	3,700	-	-	43,700
Stephen Wee	180,000	16,650	-	-	196,650
Total key management personnel compensation	320,000	29,600	-	-	349,600

**Table of benefits and payments for the year end 30 June 2013**

Key Management Person	Short-term Benefits	Post-employment Benefits	Other Benefits	Non cash Benefits	Total
	Cash, salary and directors fee	Superannuation	Termination benefits	Options issued	
	\$	\$	\$	\$	\$
David Sutton	60,000	5,400	-	-	65,400
Lisa Fu	40,000	3,600	-	-	43,600
Darrel Causbrook	30,000	2,700	-	-	32,700
Stephen Wee <sup>1</sup>	180,000	16,200	-	-	196,200
Total key management personnel compensation	310,000	27,900	-	-	337,900

**Employment Contracts**

By agreement dated 21 July 2011, the Company and Mr Stephen Wee agreed the terms and conditions under which Mr Wee would provide services on Chief Executive Officer of the Company. The Agreement has:

- a) a term of three years with the Company having the option to renew for a further three years
- b) requires the payment of \$180,000 per annum plus superannuation
- c) termination may occur by the Company providing two months written notice to Mr Stephen Wee or by Mr Stephen Wee providing the Company with six months written notice

<sup>1</sup> Appointed as CEO on 21 July 2011

**Sinovus Mining Limited**  
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**DIRECTORS REPORT (CONT.)**

**Directors Interests and Benefits**

The relevant interest of each director in the share capital of the Company at the date of this report is:

<b>Director</b>	<b>Direct Interest</b>		<b>Indirect Interest</b>		
	<b>Shares</b>	<b>Options</b>	<b>Shares</b>	<b>Listed Options</b>	<b>Unlisted Options</b>
D H Sutton	-	-	8,169,334	-	-
D Causbrook	11,250	-	-	-	-
L Fu	-	-	31,091,250	-	-

**Share Options**

Granted – there were no options granted over unissued shares during or since the end of the financial year.

Exercised – no options were exercised during or since the end of this financial year.

Expiry – the following options expired during the financial year.

SNVO	59,215,710 listed options issued to shareholders pursuant to the Rights Issue. These options are exercisable at \$0.05 at any time up to 30 November 2013.
SNVAO	8,000,000 unlisted options granted to KMP as compensation. These options are exercisable at \$0.10 at any time up to 31 March 2014.

**Sinovus Mining Limited**  
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**DIRECTORS REPORT (CONT.)**

**Meeting of Directors**

The number of meetings of the Company's board of directors and of each board committee held during the financial year ended 30 June 2014 and the number of meetings attended by each director were:

<b>Directors' Meetings</b>		
<b>Director</b>	<b>Attended</b>	<b>Held whilst in office</b>
D H Sutton	4	4
D Causbrook	4	4
L Fu	4	4

The board has yet to appoint a nomination or remuneration committee. The matters that would normally be the responsibility of these committees are dealt with by the full board of directors.

**INDEMNIFICATION**

During or since the end of the financial year the company has given an indemnity and paid insurance premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty on relation to the company.

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**NON-AUDIT SERVICES**

The external auditor did not provide any non-audit services to the Company during the year ended 30 June 2014.



**Sinovus Mining Limited**  
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**DIRECTORS REPORT (CONT.)**

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under Section 307C of the Corporation Act is set out on page 15 and forms part of the Director's Report.

**This Report is made in accordance with a resolution of the Board of Directors:**

A handwritten signature in black ink, appearing to read 'David Sutton', is written over a faint, light blue circular background.

**David Sutton**  
Chairman

Dated 30 day of September 2014

## **CORPORATE GOVERNANCE STATEMENT**

The Board of Directors of Sinovus Mining Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of Sinovus Mining Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Where there has been a variation or departure from these recommendations, it is because the Board believes that the company is not yet of sufficient size nor are its financial affairs of such complexity to justify some of these recommendations. Where a recommendation has not been followed this fact has been disclosed together with the reasons for the departure.

Consistent with the ASX best practice recommendations, the company's corporate government practices are regularly reviewed and are available on the Company's website.

### **Compliance with ASX Corporate Governance Council best practice recommendations**

The ASX listing rules requires public listed companies to include in their annual report a statement regarding the extent to which they have adopted the ASX Corporate Governance Council best practice recommendations.

This statement provides details of the company's adoption of the best practice recommendations.

### **Principle 1 – Lay solid foundations for management and oversight**

Companies should establish and disclose their respective roles and responsibilities of board and management.

#### **Board Responsibilities**

The Board of Directors is accountable to shareholders for the performance of the Consolidated Group. In carrying out its responsibilities, the board undertakes to serve the interest of shareholders honestly, fairly and diligently.

The Board's responsibilities are encompassed in a formal charter published on the Company's website. The charter is reviewed annually to determine whether any changes are necessary or desirable.

The responsibilities of the board include:

- Reporting to shareholders and the market;
- Ensuring adequate risk management processes exist and are complied with;
- Reviewing internal controls and external audit reports;
- Ensuring regulatory compliance;
- Monitoring financial performance, including approval of the annual and half-yearly financial reports and liaison with the Company auditors;
- Reviewing the performance of senior management;
- Monitoring the Board composition, Director selection and Board processes and performance;
- Validating and approving corporate strategy;
- Reviewing the assumptions and rationale underlying the annual plans; and
- Authorising and monitoring major investment and strategic commitments.

#### **Directors Education**

Continuing education is provided via the regular Board updates provided by the executives.

#### **Role of Chairman and Chief Executive Officer (CEO)**

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring the Directors are properly briefed for meetings. The Chairman is also responsible for implementing the consolidated entity's strategies and Board policies.

A formal charter is in place which lays out the duties and responsibilities of the CEO.

This charter also requires that the responsibilities and accountabilities of both the board of directors and the CEO are clearly defined. The assessment and monitoring of the CEO is the chief responsibility of the board. Performance is assessed against pre-determined objectives on a regular basis.

**CORPORATE GOVERNANCE STATEMENT (CONT.)**

The Chairman's other responsibilities include:

- Ensuring that general meetings are conducted efficiently and those shareholders have adequate opportunity to air their views and obtain answers to their queries.
- Present the view of the Board formally.

**Principle 2 – Structure the board to add value**

Companies should have a board of an effective composition, size and commitment to efficiently discharge its responsibilities and duties.

**Board of directors**

**Composition of the Board**

The Board of directors is comprised of four Directors, all of whom have a broad range of skills and experience.

There are four independent directors.

In determining independence the board has regard to the guidelines of directors' independence in the ASX Corporate Governance Council and Best Practice Recommendations and other best practice guidelines.

The board considers that its composition provides for the timely and efficient decision making required for the company in its current circumstances.

The board's size and composition is subject to limits imposed by the Company's constitution which provides for a minimum of three directors and a maximum of ten.

Details of the members of the board their experience, expertise and qualifications are set out in the director's report on page 3.

**Access to independent professional advice**

All directors are required to bring an independent judgement to bear on Board decisions.

To facilitate this, each Director has the right of access to all relevant company information and to the Company's Executives. The directors also have access to external resources as required to fully discharge their obligations as Directors of the Company. The use of this resource is co-ordinated through the Chairman of the Board.

**Nomination committee**

The Board has not yet formed a separate nominations committee and all matters that would normally be the responsibility of a nominations committee are dealt with by the full Board of Directors.

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 reasons, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience. External advisors may be used to assist in such a process. The Board will then appoint the most suitable candidate who must stand for election at the next annual general meeting of shareholders.

For directors retiring by rotation, the board assesses that director before recommending re-election.

The Australian Securities Exchange Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" recommends the appointment of a Nomination Committee for prospective Board appointments. The Board considers the Company and the Board are currently not of sufficient size to justify the establishment of a separate Nomination Committee.

**Board performance evaluation**

The company has processes in place to review the performance of the board and its committees and individual directors. Each year the board of directors give consideration to broad corporate governance matters, including the relevance of existing committees and to reviewing its own and individual directors' performance. The Chairman is responsible for monitoring the contribution of individual directors and consulting with them in any areas of improvement.

**CORPORATE GOVERNANCE STATEMENT (CONT.)**

**Principle 3 – Promote ethical and responsible decision making**

Companies should actively promote ethical and responsible decision making.

**Code of conduct**

The Board acknowledges the need for continued maintenance of the highest standards of Corporate Governance Practices and ethical conduct by all Directors and employees of the consolidated entity.

The Company has established a code of conduct applicable to all Directors and employees. The requirement to comply with the code is mandatory and is communicated to all employees. The code sets out standards of conduct, behaviour and professionalism.

The shareholder communications strategy, the securities trading policy and the continuous disclosure policy collectively form a solid ethical foundation for the company's ethical practices.

**Policy on dealing in Company securities**

The Company has a policy on how and when the Directors and employees may deal in the Company's securities. The purpose of this policy is to ensure that the Directors and employees deal in the Company's securities in a manner which properly reflects their fiduciary duty, and that they do not transact in those securities whilst in possession of price sensitive information.

This policy requires all Directors and employees to seek approval from the Chairman and Company Secretary prior to dealing in the Company's securities.

The Company has introduced compliance standards and procedures to ensure that the policy is properly implemented. In addition there is also an internal review mechanism to assess compliance and effectiveness.

**Diversity Policy**

The Company has a policy to promote workforce diversity in its operations by embracing diversity, with a particular focus on gender diversity, when undertaking its recruitment and selection processes and by rewarding and promoting employees on the basis of their merit, skill and ability. The Company will promote diversity by developing appropriate employee assistance programmes and undertaking a selection process for Board appointments which aims to consider a diverse pool of qualified candidates and support the representation of women on the Company Board.

Because the Company, at this stage of its development, has a small Board of Directors with a female member, because the Company has a single employee and because of the industry in which the Company operates, the Board does not consider it to be practicable to set measurable objectives to achieve greater gender diversity at this time. However, the Board acknowledges the benefits of seeking to improve gender diversity at all levels in the company over time and will keep this issue under review.

In terms of the current proportion of women employees, the Company has one employee who is male and one of the three directors appointed to the Board is a woman.

**Principle 4 – Safeguard Integrity in financial reporting**

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

**Audit committee**

The Board has not formed a separate Audit Committee.

The structure of the audit committee does not comply with recommendation 4.2 which recommends that the audit committee consists of only Non-Executive Directors and the committee should have an independent Chairperson who is not the Chairperson of the Board.

The Board considers that given its current size and structure it is neither appropriate nor cost effective for there to be a separate chairman nor an audit committee.

The Full Board met two times during the year to:

- review the annual and half year financial reports to ensure compliance with Australian Accounting Standards and generally accepted accounting principles;
- monitor corporate risk management practices;
- review and approve the consolidated entity's accounting policies and procedures;
- review external audit plans;

**CORPORATE GOVERNANCE STATEMENT (CONT.)**

- review the nomination, performance and independence of the external auditors; and organise, review and report on any special reviews or investigations deemed necessary by the Board.

**External auditors**

The full Board is responsible for the appointment, removal and remuneration of the external auditors, and reviewing the terms of their engagement, and the scope and quality of the audit. In fulfilling its responsibilities, the Board receives regular reports from management and the external auditors at least once a year, or more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Board.

The current auditor, KS Black & Co. was appointed at the last annual general meeting of the company held on 28 November 2013.

The Australian accounting bodies' statement on professional independence requires mandatory rotation of audit partners for listed companies every five years. KS Black & Co. confirms that they conform to the requirements of the statement.

KS Black & Co. are required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

**Principle 5 – Making timely and balanced disclosure**

Companies should promote timely and balanced disclosure of the matters concerning the company. The company promotes timely and balanced disclosure of any material matters concerning the company.

The Company has a written policy on information disclosure that focuses on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities.

The Company Secretary in consultation with the Chairman is responsible for communications with the ASX. He is also responsible for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the general public.

A copy of the Company's policy of continuous disclosure is posted on the Company's website.

**Principle 6 – Respect the rights of shareholders**

Companies should respect the rights of shareholders and facilitate their effective exercise of those rights.

**Communication with shareholders**

The Board recognises and respects the rights of our shareholders as the beneficial owners of the Company. In order to facilitate the effective exercise of those rights, the Company follows a communications strategy that aims to empower shareholders by:

- communicating effectively with them;
- providing easy access to balanced and understandable information about the Company; and
- Encouraging and facilitating shareholder participation in general meetings.

The Company achieves this through the following avenues:

**Regular mailings**

The Company provides shareholders with copies of all announcements made to the ASX by mail on request. Copies are also available via an electronic link to the ASX web site, ensuring that all shareholders are kept informed about the Company.

Shareholders also have the option of receiving a hard copy of the Annual Report each year.

**General meetings**

All shareholders are invited to attend the Annual General Meetings which are held in Sydney. The full Board and senior executives are present and available to answer questions from the floor, as are the External Auditor and a representative from the Company's legal advisors.

**CORPORATE GOVERNANCE STATEMENT (CONT.)**

The Company also posts corporate information in the Investor Section of its Company website at [www.sinovus.com.au](http://www.sinovus.com.au)

**Principle 7 – Recognise and manage risk**

Companies should establish a sound system of risk oversight and management and internal control.

The Board oversees the establishment, implementation and review of the Company's Risk Management System. To ensure it meets its responsibilities, the Board has implemented appropriate systems for identifying, assessing, monitoring and managing material risk throughout the organisation.

Management is required to provide monthly status reports to the Board which identify potential areas of business risk arising from changes in the financial and economic circumstances of its operating environment.

The Board regularly assesses the company performance in light of risks identified by such reports.

Management are also required to design implement and review the Company's risk management and internal control system. The Board reviews the effectiveness of the implementation of the Company's risk management and internal control system on a regular basis.

The Board does not employ an internal auditor, although as part of the Company's strategy to implement an integrated framework of control, the Board requested the external auditors review internal control procedures. Recommendations once presented are considered by the Board.

The Board has received written confirmation from the chief executive officer that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control system is operating efficiently in all material respects.

The Board requires this declaration prior to the directors signing the company's financial statements.

**Principle 8 – Remunerate fairly and responsibly**

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that the relationship to performance is clear.

The role of the remuneration committee is undertaken by the full board of Directors.

The committee has adopted a formal charter. The main responsibilities of the Committee are: -

- review and approve the Consolidated Group's policy for determining executive remuneration and any amendments to that policy;
- review the on-going appropriateness and relevance of the policy;
- consider and make recommendations to the Board on the remuneration of executive Directors (including base salary, incentive payments, equity awards and service contracts);
- review and approve the design of all equity based plans;
- review and approve the total proposed payments under each plan; and
- review and approve the remuneration levels for non-executive Directors.

The committee meets as often as required but no less than once per year.

The committee met once during the year.

**Executive Directors and executive remuneration**

The remuneration committee reviews and approves the policy for determining executive's remuneration and any amendments to that policy.

Executive remuneration and other terms of employment are reviewed annually having regard to relevant comparative information and independent expert advice.

Remuneration packages include basic salary, superannuation and the rights of participation in the Company's Employee Share Purchase Plan.

**CORPORATE GOVERNANCE STATEMENT (CONT.)**

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

Consideration is also given to reasonableness, acceptability to shareholders and appropriateness for the current level of operations.

**Non-executive directors**

Remuneration of Non-Executive Directors is determined by the Board based on relevant comparative independent expert advice and the maximum amount approved by shareholders from time to time.

Non-Executive Directors have the right to participate in the Company's Employee Share Purchase Plan.

Further information on directors and executive remuneration is included in the remuneration report which forms part of the directors' report.

This matter continues to be under review.

**AUDITOR'S INDEPENDENCE DECLARATION**

**Declaration of independence to the Directors of Sinovus Mining Limited  
And Controlled Entities**

As lead auditor of Sinovus Mining 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:

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

This declaration is in respect of Sinovus Mining Limited and the entities it controlled during the year.



**Faizal Ajmat CA**  
**Registered Company Auditor**  
Sydney, 30 September 2014  
A.B.N. 12 977 693 143  
PO Box 1283  
GREEN VALLEY NSW 2168



**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated Group	
		2014	2013
		\$	\$
<b>Revenue</b>			
Other income	3	277,260	480,722
<b>Expenses</b>			
Employee benefits	6	(349,600)	(337,900)
Write-off of plant & equipment		(1,836)	-
Due diligence and professional services		(8,590)	(39,401)
Finance Costs		(145)	(142)
Listing Fees		(10,500)	(12,688)
Other Expenses		(125,388)	(295,086)
<b>Loss before income tax</b>		<b>(218,799)</b>	<b>(204,496)</b>
Income tax expense	5	-	-
Loss attributable to:			
Non-controlling interest		-	-
Members of the parent entity		<b>(218,799)</b>	<b>(204,496)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	8	(0.001)	(0.001)
Diluted earnings per share (cents)		(0.001)	(0.001)

These financial statements should be read in conjunction with the accompanying notes.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	Note	Consolidated Group	
		2014	2013
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	9	70,003	510,066
Trade and other receivables	10	32,372	106,221
<b>Total current assets</b>		<b>102,375</b>	<b>616,287</b>
<b>Non-current assets</b>			
Financial assets	11	1,874,395	1,886,960
Plant and equipment	13	-	1,836
<b>Total non-current assets</b>		<b>1,874,395</b>	<b>1,888,796</b>
<b>Total Assets</b>		<b>1,976,770</b>	<b>2,505,083</b>
<b>Current Liabilities</b>			
Trade and other payables	14	49,148	64,128
Provision for employee benefits	15	39,185	30,850
<b>Total Current Liabilities</b>		<b>88,333</b>	<b>94,978</b>
<b>Total Liabilities</b>		<b>88,333</b>	<b>94,978</b>
<b>Net Assets</b>		<b>1,888,437</b>	<b>2,410,105</b>
<b>Equity</b>			
Issued Capital	16	20,220,664	20,220,664
Reserves	17	306,435	609,303
Accumulated Losses		(18,654,844)	(18,436,045)
Portion attributable to parent		1,872,255	2,393,923
Minority Interest		16,182	16,182
<b>Total Equity</b>		<b>1,888,437</b>	<b>2,410,105</b>

These financial statements should be read in conjunction with the accompanying notes.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2014**

	Share Capital					Total
	Shares on Issue	Accumulated Losses	Options Reserve	Foreign Exchange Reserve	Minority Interests	
	\$	\$	\$	\$	\$	\$
<b>Consolidated Entity</b>						
<b>Balance at 1 July 2012</b>	20,220,664	(18,319,920)	622,682	407,271	18,342	2,949,038
Shares issued during the period						-
Loss attributable to members of parent entity		(204,496)				(204,496)
Loss attributable to minority shareholders						-
Total recognised income and expenses for the period		(204,496)				(204,496)
Transaction Cost of rights Issue						
Options Expired during the year			(312,204)			(312,204)
Transfer from Options Reserve						-
Disposal Ownership Interest						-
Adjusting from translation of foreign controlled entities		88,371		(108,446)	(2,159)	(22,234)
<b>Balance at 30 June 2013</b>	20,220,664	(18,436,045)	310,478	298,825	16,182	2,410,105
<b>Balance at 1 July 2013</b>	20,220,664	(18,436,045)	310,478	298,825	16,182	2,410,105
Shares issued during the period						-
Loss attributable to members of parent entity		(218,799)				(218,799)
Loss attributable to minority shareholders						
Total recognised income and expenses for the period		(218,799)				(218,799)
Transaction Cost of rights Issue						
Options Expired during the year			(310,478)			(310,478)
Transfer from Options Reserve						
Disposal Ownership Interest						
Adjusting from translation of foreign controlled entities				7,610		7,610
<b>Balance at 30 June 2014</b>	20,220,664	(18,654,844)	-	306,436	16,182	1,888,437

These financial statements should be read in conjunction with the accompanying notes.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated Group	
		2014	2013
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	-
Payments to suppliers and employees		(473,390)	(655,838)
Financial Charges		(145)	(142)
Foreign Exchange Gain		(32,900)	140,777
Interest received		7,291	27,399
Income from option expired		-	-
Net cash (used in ) provided by operating activities	20	(499,144)	(487,805)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		-	-
Purchase of investment		-	(21,589)
Net cash (used in ) provided by investing activities		-	(21,589)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from promissory notes		59,081	20,000
Proceeds from issue of shares/options		-	-
Cost of raising share equity		-	-
Net cash provided ( used in) financing activities		59,081	20,000
Net decrease (increase) in cash held		(440,063)	(489,393)
Cash and cash equivalents at beginning of financial year		510,066	999,460
Effect of exchange rates on cash holding in foreign currencies		-	-
Cash and cash equivalents at end of financial year	9	70,003	510,066

These financial statements should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements and notes represent those of Sinovus Mining Limited and controlled entities ('Consolidated Group' or 'Group').

The separate financial statements of the parent entity, Sinovus Mining Limited have not been presented within this financial report as permitted by the *Corporations Act 2001*.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

The financial statements have been prepared on a going concern basis, the validity of which depends upon the positive cash position.

The Company's existing projections show that further funds will be required to be generated, either by capital raising, sales of assets, or other initiatives to, enable the Company to fund its currently planned activities for at least the next twelve months from the date of signing these financial statements. Should new opportunities present, that require additional funds, the directors will take action to re-priorities activities, dispose of assets and/or raise further funds.

Notwithstanding this issue, accordingly, the directors have prepared the financial statements of the Company on a going concern basis.

**Accounting Policies**

**a. Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Sinovus Mining Limited at the end of the reporting period. A controlled entity is any entity over which Sinovus Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

**b. Income Tax**

The charge for current income tax expense is based on the results for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases 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.

Sinovus Mining Limited formed an income tax consolidated group under the tax consolidation regime with its domestic subsidiaries Sino Coal Limited, Dragon State Resources Ltd, Elbrus Resources Limited and Austin Minerals Pty Ltd. All other subsidiaries are unable to be members of the Group due to their residency status.

**c. Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**d. Property, Plant and Equipment**

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

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	<b>10 – 50%</b>
Motor Vehicles	<b>15 – 25%</b>

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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 profit or loss and other comprehensive income.

**e. Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 (f) for further discussion on the determination of impairment losses.

**f. Financial Instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**CLASSIFICATION AND SUBSEQUENT MEASUREMENT**

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

*Amortised cost* is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**Investments**

Investments in controlled entities are carried in the company's financial statements at cost. All inter-group transactions are eliminated on consolidation.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.



**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**g. Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**h. Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values are determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

**i. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of the cash flows.

**j. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**k. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

**l. Finance**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

**m. Goods and Services 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

**n. Comparative Figures**

Comparative figures have been derived from the audited financial statements for Sinovus Mining Limited for the year ended 30 June 2013, and changes in presentation are made where necessary to comply with accounting standards.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**o. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

*Key Judgments — Doubtful Debts Provision*

As a result of not trading throughout the period, Sinovus Mining Limited has no questionable receivables.

**p. Accounting Standard not yet effective**

At the date of authorisation of the financial report new Accounting Standards have been issued but are not yet effective. Directors do not expect that these changes will have a material impact on the financial performance or position in future periods.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 2: PARENT INFORMATION**

**2014**                      **2013**  
**\$**                                      **\$**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

**STATEMENT OF FINANCIAL POSITION**

**ASSETS**

Current assets	101,875	630,363
<b>TOTAL ASSETS</b>	<b>12,705,395</b>	<b>13,203,647</b>

**LIABILITIES**

Current liabilities	(100,834)	(106,826)
<b>TOTAL LIABILITIES</b>	<b>(100,834)</b>	<b>(106,826)</b>

<b>NET ASSETS</b>	<b>12,604,561</b>	<b>13,096,821</b>
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**EQUITY**

Issued capital	21,498,292	21,498,292
Retained earnings	(7,434,321)	(7,231,598)
Cost of raising Equity	(1,277,628)	(1,277,628)
Option reserve	-	310,479
Current Year Loss	(181,782)	(202,725)
<b>TOTAL EQUITY</b>	<b>12,604,561</b>	<b>13,096,821</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

Total Loss	(181,781)	(202,724)
<b>Total comprehensive income</b>	<b>284,870</b>	<b>479,236</b>

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 3: REVENUE AND OTHER INCOME**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>		
<b>Other Revenue</b>		
Foreign Exchange Gains	(40,510)	140,777
Interest Received	7,292	27,741
Other Revenue	310,479	312,204
<b>Total Revenue</b>	<b>277,260</b>	<b>480,722</b>

**NOTE 4: RESULTS FOR THE YEAR**

Loss before income tax includes the following specific expenses:

Employee benefits expense	(349,600)	(337,900)
Write-off of Plant & Equipment	(1,836)	-

**NOTE 5 : INCOME TAX EXPENSE**

The prima facie tax on loss before income tax is reconciled to income tax as follows:

Prima facie tax payable on loss before income tax at 30%	(65,650)	(61,349)
Add tax effect of :		
– Other Non-allowable items	24,832	49,943
Less tax effect of:		
– Items deductible for taxation but not accounting	(19,125)	(675)
– Other non-assessable income	-	-
Deferred tax assets not brought into account	(59,933)	(12,080)
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
Tax losses for which no tax has been recognised as deferred	(4,995,264)	(4,935,330)

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 6: EMPLOYEE BENEFITS EXPENSE**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
The totals of remuneration paid to Employee of the company and the group during the year are as follows:		
– Salaries and wages	320,000	310,000
– Superannuation	29,600	27,900
Total:	349,600	337,900

**NOTE 7: AUDITOR REMUNERATION**

Remuneration of the auditor of the parent entity for:

– Auditing or reviewing the financial report –K S Black & Co	25,021	39,815
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**NOTE 8: EARNINGS PER SHARE**

a. Reconciliation of earnings:		
Loss	(218,799)	(204,496)
b. Weighted average number of ordinary shares outstanding during the year used in calculating EPS	<b>No.</b>	<b>No.</b>
	631,695,769	631,695,769
	<b>\$</b>	<b>\$</b>
c. Basic EPS	(0.001)	(0.001)
d. Diluted EPS	(0.001)	(0.001)

**NOTE 9: CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	70,003	510,066
Total	70,003	510,066

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 10: TRADE AND OTHER RECEIVABLES**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade and other receivable from third parties		
– Other receivables	-	67,110
– Prepayments	27,652	32,294
– GST credits receivable	4,720	6,817
	<u>32,372</u>	<u>106,221</u>
Trade and other receivable from related parties:		
– Other receivables	-	8,029
– Promissory notes receivable	-	59,081
– Less: Provision for doubtful debt	-	-
Total	<u>-</u>	<u>67,110</u>

Allowance for impairment loss

Trade receivables and other receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Consolidated Group and Parent Entity in the current year. No receivable is past due.

Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Consolidated Group's policy to transfer on-sell receivables to special purpose entities.

Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 23.

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 11: FINANCIAL ASSETS**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
NON-CURRENT		
Available-for-sale financial assets		
– 15% interest in Hebei Sinovus Mining Co Ltd	833,387	833,387
– Less: Provision for Diminution	(833,387)	(833,387)
– Shares in Paltar Petroleum Ltd	1,777,057	1,777,057
– Shares in High Peak Royalties Ltd	34,903	34,903
– Less: Provision for Diminution	(12,565)	-
– Shares in Ignite Energy Resources Ltd	75,000	75,000
Total	1,874,395	1,886,960

**NOTE 12: CONTROLLED ENTITIES**

	<b>Country of Incorporation</b>	<b>Date Acquired</b>	<b>Percentage Owned (%)<sup>*</sup></b>
			<b>2014</b>
<b>PARENT ENTITY:</b>			
Sinovus Mining Limited	Australia		
<b>SUBSIDIARIES OF SINOVUS MINING LIMITED:</b>			
Sino Coal Limited	Australia	25/11/2009	100
Dragon State Resources Ltd	Australia	24/05/2008	100
Elbrus Resources Ltd	Australia	23/03/2012	100
Austin Minerals Pty Ltd	Australian	10/04/2012	100

*\* Percentage of voting power is in proportion to ownership*



**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 13: PLANT AND EQUIPMENT**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>PLANT AND EQUIPMENT</b>		
– At Cost	-	982
– Accumulated Depreciation	-	(393)
Total Property , Plant and Equipment	-	589
<b>OFFICE EQUIPMENT</b>		
– At Cost	-	3,421
– Accumulated Depreciation	-	(2,174)
Total Office Equipment	-	1,247
Total	-	1,836

	<b>Motor Vehicles</b>	<b>Plant and Equipment</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated Group:</b>				
Balance at 1 July 2012		589	1,247	1,836
Additions				
Revaluation Decrements				
Disposals				
Depreciation expense				
Balance at 30 June 2013		589	1,247	1,836
Additions				
Revaluation Decrements		-	-	-
Disposals				
Depreciation/Write-off expense		(589)	(1,247)	(1,836)
Balance at 30 June 2014		-	-	-

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 14: TRADE AND OTHER PAYABLES**

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
– Accounts Payable	49,148	64,128
Total	48,148	64,128

**NOTE 15: PROVISIONS**

CURRENT

Provisions for employee entitlements	39,185	30,850
Total:	39,185	30,850

**NOTE 16: ISSUED CAPITAL**

2014: (2013: 643,915,283) ordinary shares	21,498,292	21,498,292
Costs of raising share capital	(1,277,628)	(1,277,628)
Total	20,220,664	20,220,664

The company has authorised share capital amounting to ordinary shares of no par value.

		<b>No.</b>	<b>No.</b>
		<b>2014</b>	<b>2013</b>
<b>Ordinary shares</b>	<b>Price</b>		
At the beginning of reporting period		643,915,283	643,915,283
Shares issued – Rights Issue	.05	-	-
Balance of consideration under Mine Purchase Agreement	.02651	-	-
Part consideration for shares in Paltar Petroleum Limited	.03280	-	-
Conversion of Convertible Note	0.06	-	-
At reporting date		643,915,283	643,915,283

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 16: ISSUED CAPITAL (CONT.)**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Capital Management**

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's capital includes ordinary share capital, shares and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

**NOTE 17: RESERVES**

	<b>Consolidated Entity</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Option reserve unlisted	-	296,079
Employee equity settled benefits	-	14,400
Total option reserve	-	310,479
Foreign exchange reserve	306,434	298,825
	<u>306,434</u>	<u>609,303</u>

**Options Reserve**

The options reserve records items recognised as expenses on valuation of employee share options and items capitalised as costs of capital raising share equity on valuation of options issued to the underwriter.

**Option Reserve Movement**

Option unlisted	310,479	622,683
Issued options		-
Expired options	(310,479)	(312,204)
Total options unlisted	<u>-</u>	<u>310,479</u>

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 17: RESERVE (CONT.)**

**Foreign Exchange Reserve**

The foreign exchange reserve records exchange differences arising on translation of a foreign controlled subsidiary.

**NOTE 18: SHARE BASED PAYMENTS**

	<b>2014</b>		<b>2013</b>	
	<b>Number of</b>	<b>Weighted</b>	<b>Number of</b>	<b>Weighted</b>
	<b>Options</b>	<b>Average</b>	<b>Options</b>	<b>Average</b>
		<b>Exercise</b>		<b>Exercise</b>
		<b>Price</b>		<b>Price</b>
		<b>\$</b>		<b>\$</b>
Outstanding at beginning of the Year	67,215,710	0.05	106,901,995	0.05
Issued			-	-
Forfeited	(67,215,710)	0.05	(39,686,285)	0.07
Exercised	-		-	-
Expired	-		-	-
Outstanding at year end	-		67,215,710	
Exercisable at year end	-		-	-

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE19: SEGMENT REPORTING**

**PRIMARY REPORTING - BUSINESS SEGMENTS**

	<b>Exploration</b>		<b>Eliminations</b>		<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>						
Sales	-	-	-	-	-	-
Total sales revenue		-	-	-		-
Other revenue	277,260	480,722	-	-	277,260	480,722
Total revenue	277,260	480,722	-	-	277,260	480,722
<b>RESULT</b>						
Segment result	277,260	480,722	-	-	277,260	480,722
Finance costs	(145)	(142)	-	-	(145)	(142)
Employee Benefits	(349,600)	(337,900)	-	-	(349,600)	(337,900)
Other expenses	(146,314)	(343,917)	-	(3,258)	(146,314)	(347,175)
Profit /(loss) before income tax	(218,799)	(201,237)	-	(3,258)	(218,799)	(204,496)
Income tax expense	-	-	-	-	-	-
Loss after income tax	(218,799)	(201,237)	-	(3,258)	(218,799)	(204,496)
<b>ASSETS</b>						
Segment assets	70,003	511,901	1,906,767	1,993,182	1,976,770	2,505,083
Unallocated assets						
Total assets	70,003	511,901	1,906,767	1,993,182	1,976,770	2,505,083
<b>LIABILITIES</b>						
Segment liabilities	-	-	(88,333)	(94,325)	(88,333)	(94,978)
Unallocated liabilities						
Total liabilities	-	-	(88,333)	(94,325)	(88,333)	(94,978)
<b>OTHER</b>						
Acquisitions of non-current segment assets	-	109,903				
Depreciation and of segment assets	-	-				

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE19: SEGMENT REPORTING (CONT.)**

SECONDARY REPORTING — GEOGRAPHICAL SEGMENTS

Segment	Segment Revenues and Incomes		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Australia	277,260	480,722	1,976,771	2,487,587	-	109,903
China	-	-	-	17,496	-	-
	<u>284,870</u>	<u>480,722</u>	<u>1,989,336</u>	<u>2,505,083</u>	<u>-</u>	<u>109,903</u>

**NOTE 20: CASH FLOW INFORMATION**

		Consolidated Entity	
		2014	2013
		\$	\$
a.	<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>		
	Loss after income tax	(218,799)	(204,496)
	Non-cash flows in profit		
	Option expired	(310,479)	(312,204)
	Provision for employee entitlements	-	88,370
	Provision for diminution	12,565	-
	Forex Movements	7,610	-
	Write off bad debts	-	(43,908)
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
	(increase)/decrease in other asset	1,836	(878)
	Increase/(decrease) in accounts payable and accruals	8,123	(14,689)
	Increase/(decrease) in foreign payable and accruals	-	-
	Net Cash(used in ) provided by operating activities	<u>(499,144)</u>	<u>(487,805)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 21: RELATED PARTY TRANSACTIONS**

Transactions with related parties	Consolidated Group	
	2014 \$	2013 \$
Purchase of goods and services		
Causbrook & Associates – Accounting ,Management & Secretarial Services	42,081	80,483

*These transactions were on commercial terms.*

**NOTE 22: KEY MANAGEMENT PERSONNEL**

**a. Shares Held by Key Management Personnel and Related Corporations**

	Opening Balance	Granted as Compensation	Purchases	Disposals	Balance 30 June 2014
D H Sutton	8,169,334	-	-	-	8,169,334
D Causbrook	11,250	-	-	-	11,250
L Fu	31,091,250	-	-	-	31,091,250
<b>Total</b>	<b>39,271,834</b>				<b>39,271,834</b>

**b. Listed Options Held by Key Management Personnel and Related Corporations**

	Opening Balance	Granted as Compensation	Purchases	Lapsed	Balance 30 June 2014
D H Sutton	2,005,829	-	-	(2,005,829)	-
D Causbrook	1,250	-	-	(1,250)	-
L Fu	3,454,583	-	-	(3,454,583)	-
<b>Total</b>	<b>5,461,662</b>	-	-	<b>(5,461,662)</b>	<b>-</b>

**c. Unlisted Options Held by Key Management Personnel and Related Corporations**

	Opening Balance	Granted as Compensation	Purchases	Lapsed	Balance 30 June 2014
D H Sutton	2,000,000	-	-	(2,000,000)	-
D Causbrook	-	-	-	-	-
L Fu	6,000,000	-	-	(6,000,000)	-
<b>Total</b>	<b>8,000,000</b>	-	-	<b>(8,000,000)</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 22: KEY MANAGEMENT PERSONNEL (CONT.)**

**d. Directors' and Executive Officers' Remuneration**

The Board sets all remuneration packages. The broad remuneration policy is to ensure that each senior staff member's remuneration package properly reflects the person's duties and responsibilities. Current market conditions are also taken into account in determining the appropriate remuneration package.

	<b>Salary, wages and directors fees</b>	<b>Bonus</b>	<b>Non-monetary benefits</b>	<b>Other employee entitlements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2013</b>					
David Sutton	60,000	-	-	5,400	65,400
Lisa Fu	40,000	-	-	3,600	43,600
Darrel Causbrook	30,000	-	-	2,700	32,700
Stephen Wee	180,000	-	-	16,200	196,200
<b>Total Compensation</b>	<b>310,000</b>	<b>-</b>	<b>-</b>	<b>27,900</b>	<b>337,900</b>

	<b>Salary, wages and directors fees</b>	<b>Bonus</b>	<b>Non-monetary benefits</b>	<b>Other employee entitlements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2014</b>					
David Sutton	60,000	-	-	5,550	65,550
Lisa Fu	40,000	-	-	3,700	43,700
Darrel Causbrook	40,000	-	-	3,700	43,700
Stephen Wee	180,000	-	-	16,650	196,650
<b>Total Compensation</b>	<b>320,000</b>	<b>-</b>	<b>-</b>	<b>29,600</b>	<b>349,600</b>

**NOTE 23: FINANCIAL RISK MANAGEMENT**

**General Objectives, Policies and Processes**

The group is exposed to risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.



**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 23: FINANCIAL RISK MANAGEMENT(CONT.)**

The Board has overall responsibility for the determination of the group's risk management objectives and policies. The group's risk management policies and objectives are therefore designed to minimise the potential impacts of These risks on the results of objectives where such impacts may be material. The Board periodically reviews the Effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

**Credit Risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the group. The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

**Liquidity Risk**

Liquidity risk is the risk that the group may encounter difficulties raising funds to meet commitments associated with financial instruments due to creditors. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets.

**Maturity Analysis of Financial Liabilities**

<b>Consolidated Entity</b>	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>&lt; 6 Months</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2013</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	64,128	-	64,128
Accrued liabilities	30,850	-	30,850

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 23: FINANCIAL RISK MANAGEMENT (CONT.)**

**2014**

**CURRENT LIABILITIES**

Accounts payable	49,148	-	35,003
Accrued liabilities	39,186	-	39,186

**Interest Rate Risk**

The consolidated entity is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the entity's surplus (through the impact on adjusted interest rate)

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Change in Cash and Cash Equivalents</b>		
Increase in interest rate by 1%	856	4,944
Decrease in interest rate by 1%	(856)	(4,944)

**Foreign Currency Risk**

The group is exposed to fluctuations in foreign currencies arising from the transfer of monies between the Chinese Subsidiary and Australian parent company. There are further foreign currency risks on translation of the functional currency (Chinese Yuan) of the subsidiary into the presentation currency of the group (Australian Dollars).

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the entity's net profit and equity (through the impact on adjusted foreign exchange rates)

	<b>Consolidated Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Change in Net Profit</b>		
Increase in the AUD to RMB by 5%	-	-
Decrease in the AUD to RMB by 5%	-	-
<b>Change in Equity</b>		
Increase in the AUD to RMB by 5%	-	-
Decrease in the AUD to RMB by 5%	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**NOTE 23: COMPANY DETAILS**

**Sinovus Mining Limited**

The ***registered office*** of the company is::

Sinovus Mining Limited  
Level 10  
32 Martin Place  
SYDNEY NSW 2000

The ***principal place of business*** is:

Sinovus Mining Limited  
Level 10  
32 Martin Place  
SYDNEY NSW 2000

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. the financial statements and notes , as set out on pages 20 to 42, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. comply with Australian Accounting Standards (including Australian Interpretations) and the Corporations Regulations 2001; and
  - c. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
  - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - b. The financial statements and the notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**David Sutton**

Director

Dated 3<sup>rd</sup> day of September 2014

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SINOVUS MINING LIMITED**

**Report on the Financial Report**

I have audited the accompanying financial report of Sinovus Mining Limited (the company) and Sinovus Mining Limited and Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accompanying policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

I have also audited the remuneration disclosures contained in the Directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of Directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in the Directors' report and included in the financial report.

**Director's Responsibility for the Financial Report and the Remuneration Report contained in the Directors' Report**

The Directors of Sinovus Mining Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial report comply with International Financial Reporting Standards (IFRS). The Directors of the company are also responsible for the remuneration report contained in the Directors' Report in accordance with s300A of the Corporations Act 2001.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration report in the Directors' Report is in accordance with Australian Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SINOVUS MINING LIMITED (Cont'd)**

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Sinovus Mining Limited would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

**Auditor's Opinion**

In my opinion:

- (a) the financial report of Sinovus Mining Limited and Sinovus Mining Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the company and consolidated entity also comply with IFRS as disclosed in note 1.

**Auditor's opinion on the Remuneration Report contained in the Directors' Report.**

In my opinion, the remuneration disclosures that are contained on pages 4 to 6 of the Directors' Report comply with S300A of the Corporations Act 2001.

**Significant Uncertainty Regarding Going Concern**

Without modifying the opinion above, for the financial year ended 30 June 2014 the consolidated entity incurred a net loss after tax of \$218,799 (2013: \$204,496). The consolidated entity also generated negative cash flows from operating activities for the year of \$499,144 (2013: \$487,805).

As disclosed in note 1, the cash flow forecasts project that the consolidated entity will continue to be able to meet its liabilities and obligations as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecast is dependent upon the generation of sufficient cash flows from capital raising and/or other initiatives to enable the consolidated entity to fund its planned activities and be able to meet its liability and obligations as and when they fall due for at least the next 12 months from the date of signing of this financial report.



**Faizal Ajmat CA**  
**Registered Company Auditor**

Sydney, 30 September 2014  
A.B.N. 12 977 693 143  
PO Box 1283  
GREEN VALLEY NSW 2168

Liability limited by a scheme approved under Professional Standards Legislation



**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

**ADDITIONAL INFORMATION**

**SHAREHOLDER INFORMATION**

The shareholder information set out below was applicable as at 15 October 2014.

**1. Distribution of Shareholders**

(a) Analysis of number of shareholders by size of holding:

<b>Holdings Ranges</b>	<b>Holders</b>	<b>Total Units</b>	<b>%</b>
1-1,000	12	2,038	0.000
1,001-5,000	29	104,828	0.016
5,001-10,000	63	587,778	0.091
10,001-100,000	210	8,948,403	1.390
100,001-99,999,999,999	209	634,272,236	98.502
<b>Totals</b>	<b>523</b>	<b>643,915,283</b>	<b>100.000</b>

(b) There are 370 shareholders with less than a marketable parcel of ordinary shares.

**2. Substantial Shareholders**

An extract from the Company's register of substantial shareholders is set out below:

<b>Shareholder</b>	<b>Shares</b>	<b>%</b>
Sinomine Holdings Limited	72,000,000	11.182
Straits Global Holdings Ltd	58,000,000	9.007
C & A Corporate Nominees Pty Ltd	37,156,937	5.770
Oriental Empire Investments Limited	36,000,000	5.591
Mr Hongbiao Fu	32,528,611	5.052

**3. Twenty Largest Shareholders**

The names of the twenty largest holders of ordinary shares are listed below:

<b>Rank</b>	<b>Shareholder</b>	<b>Shares</b>	<b>%</b>
1	Sinomine Holdings Limited	72,000,000	11.182
2	Straits Global Holdings Ltd	58,000,000	9.007
3	C & A Corporate Nominees Pty Ltd	37,156,937	5.770
4	Oriental Empire Investments Limited	36,000,000	5.591
5	Mr Hongbiao Fu	32,528,611	5.052
6	Everest Australia Pty Ltd	31,091,250	4.828
7	State China International Ltd	30,010,000	4.661
8	Mr Qian Guangyue	27,677,893	4.298

**Sinovus Mining Limited**  
**ABN 46 121 081 105 and Controlled Entities**

9	Ms Yiqin Wang	26,870,528	4.173
10	Wotan Group Limited	23,686,285	3.678
11	Keng Chuen Tham	22,636,668	3.515
12	Mr Archibald Geoffery Loundon	22,636,668	3.515
13	Tusculum Holdings Limited	21,851,681	3.394
14	Mr Stephen Harris	20,000,000	3.106
15	Australian Heritage Group Pty Ltd	16,544,697	2.569
16	B & M Jackson Pty Limited	6,700,000	1.041
17	Alcardo Investments Limited	6,652,229	1.033
18	Mr Colin Robert Hood & Mrs Ann Robyn Hood	6,327,228	0.983
19	Secvest Corporation Pty Limited	6,300,000	0.978
20	Martin Place Securities Staff Superannuation Fund Pty Ltd	6,026,186	0.936
<b>Total</b>		<b>510,696,861</b>	<b>79.311</b>

## **VOTING RIGHTS**

The voting rights attached to each class of equity security are as follows:

### **Ordinary Shares**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.



**CORPORATE DIRECTORY**

**DIRECTORS**

**David Sutton**

Chairman

**Lisa Fu**

Non-Executive Director

**Darrel Causbrook**

Non-Executive Director

**COMPANY SECRETARY**

**Nick Tropea**

**REGISTERED AND PRINCIPAL OFFICE**

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**F** + 61 2 9222 1880

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**SHARE REGISTRY**

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Sydney NSW 2000

**T** 1300 737 760

**F** 1300 653 459

**AUDITORS**

**KS Black & Co**

Level 6, 350 Kent Street

Sydney NSW 2000

**COMPANY'S SOLICITOR**

**Macpherson + Kelley Lawyers**

Level 21, 20 Bond Street

Sydney NSW 2000