



**GULLEWA
LIMITED**

Annual Report 2011



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Review of Operations

Allegiance Coal Limited

(Gullewa 80%)

The following activities were undertaken by Allegiance Coal Limited or its subsidiaries:

- Granted an additional four coal exploration tenements; EPCs 1874 (Normanby), 1875 (Pinetree), 2278 (Cedar Creek) and 2309 (Mobs Creek) bringing the total number of exploration tenements to 13.
- Acquired all the shares in Moreton Coal Pty Ltd in December, 2010 which is the owner of the Mintoale coal project based on MDL 138 which is near Boonah in South East Queensland.
- Applied for eight exploration tenements of which seven were competing applications and one was a secondary application. The company awaits a formal response on EPCA 2374 (Mt Marrow) where MCI is the Priority Applicant.
- Land access agreements were concluded in relation to EPCs 1297 (Back Creek), 1298/1917 (Kilmain), 1296 (Connemarra) and 1492 (Townsville) in order to advance exploration within the Company's tenements.
- Due to persistent rain and then flooding, drilling operations were only conducted within EPC 1492 (Townsville) and these operations were cut short by Cyclone Yasi. Limited drilling within the Roseneath Quarry at Townsville confirmed the presence of carbonaceous sediments.
- Following a geological data swap with adjoining tenement holders at Back Creek, a geological model was created. Using the model, drill hole locations were selected.
- Independent Geologist Report on tenements was updated. In preparation for the IPO of Allegiance Coal Limited many activities were undertaken. Independent consultants were engaged and associated reports were prepared.

Minerals

- Gullewa's wholly-owned subsidiaries now hold 14 tenements in New South Wales. Windora Exploration (Gullewa 100%) has been granted four tenements (ELs 7695, 7762, 7780 and 7781) and Narwonah Pty Ltd (Gullewa 100%) another two tenements (ELs 7778 and 7779) over extensions of magnetic and structural target zones north of Molong and to the east of Dubbo.
- An Induced Polarisation (IP) survey using 100m spaced arrays was undertaken over these prime geochemical zones, however, the surveys were not completed due to access problems and difficult reading conditions caused by wet conductive ground.
- A high resolution ground magnetic survey was completed over part of the Dandaloo tenement to help refine drilling targets. The survey identified some coincident features with the soil geochemical anomalies. An interpretation of the data supports a depth to fresh rock of around 100 metres as well as indicating potential steep north easterly dips of some of the magnetic units.
- In the north eastern corner of NSW, Gullewa has targeted carbonaceous sequences of the Clarence Basin. Mummulgum Exploration Pty Ltd (Gullewa 100%) has been granted three ELs; 7708, 7709 and 7710 and a fourth tenement, EL 7716, was granted to New Italy Resources Pty Ltd (Gullewa 100%).

Central Iron Ore

- Brooklyn Bay Pty Ltd, a wholly-owned subsidiary invested \$1,736,091 to acquire 26,250,000 shares and 7,625,000 warrants.
- Mr Brett Hodgins was appointed President and CEO.
- A farm-in Joint Venture was completed with the Barrick Group on areas neighbouring the British King Project and close to the Darlot Mine.
- Mr Richard Homsany and Mr Anthony (Tony) Howland-Rose were appointed to the board. Mr Graham Hurwitz was appointed to the position of Chief Financial Officer.
- 20,000,000 shares and 10,000,000 warrants were issued for CAD\$4,000,000 in brokered private placement.
- The Perinvale North Iron Ore Hub was farmed-out to Pacific Ore Limited. In order to earn 90%, a total expenditure requirement of AUD\$15,000,000 is required.
- Exploration commenced at the South Darlot Gold Project including a gravity survey, acquisition of satellite imagery and a thorough review of the geophysical data resulting in the identification of 15 gold targets.
- A geophysical review of the Yilgarn Iron Ore Projects was completed.

Property

- **St Ives**
An option to purchase the property was exercised by a buyer.
- **Normanhurst**
The properties are being marketed at present.

Chairman's Review

Dear Fellow Shareholders

The year under review has been an exciting one for Gullewa and has been marked by significant progress on a number of areas, which continues into the current year.

At the same time, a number of material uncertainties have arisen. Some of which are purely Australian made and others are essentially North Atlantic nations' ('NANS') issues. Based on the slow recovery in the United States of America ('USA') and the United Kingdom, together with the incredible mismanagement by the European Union, massive sovereign debt problems have cast a cloud over future economic growth, with stock and metal markets well down on post Global Financial Crisis ('GFC') levels. However, at the time of writing, metal prices remain **twice** their GFC lows.

At times like these, it should always be remembered that exploration and mining are a relatively long term process, and thus the long term commodity price regime should rule our behaviour. The certainty is that the long term decline in metal prices ended in the first years of the 21st Century. This was occasioned by the historically rapid material advancement of three billion plus new consumers joining the already affluent 1 billion in the so called 'advanced economies'. This imperative will continue, and the populations of the newly emerging consuming societies will propel this change in direction regardless of the degree of 'democracy' prevailing. Thus, we plan for the medium to long term which is certain, while in the short term, be ultra vigilant in navigating the economic, regulatory and taxation icebergs, be they of local or NANS origin.

Following on the successful Avebury model, Gullewa has formed alliances with eminent and experienced geoscientists in the coal and iron ore space by acquiring and funding related corporations in which the key participants have a significant interest in the form of equity. With Allegiance Coal, Gullewa has an 80% interest while well known coal personality, Colin Randall holds a 20% equity. It is intended that Allegiance Coal will be separately quoted after a capital raising in the current year. In the iron ore space, Gullewa has acquired a 36.1% interest in Toronto Venture Exchange listed Central Iron Ore Limited (TSX-V:CIO). This company is headed by Brett Hodgins, who has over 16 years experience in the mining, exploration and exploitation of iron ore in Western Australia. Experience includes Robe River, West Angelas, Hope Downs (ASX:RIO) and more recently, Iron Ore Holdings (ASX:EOH).

In the current year, **Allegiance Coal** has announced successful drilling at the Back Creek (EPC 1297) prospect, in Queensland's Surat Basin, where an open cut target of 80+ Mt of thermal coal is our target, while at Kilmain (EPCs 1298 and 1917) in the Bowen Basin, successful drilling has confirmed our target of 200 Mt. Obviously significant additional drilling is required. However, this is a most positive beginning.

In the Yilgarn, **Central Iron Ore** has made progress. A high resolution, low level helicopter-borne magnetic survey has defined significant magnetite bodies. Direct shipping of ore is associated with such bodies and geological surveys continue to assist in the forthcoming drilling programme. It should be noted that USA giant, Cliffs Natural Resources, has a successful operation in the Yilgarn, which allows shipping via Esperance by rail. CIO expanded its gold interests in the Darlot area, where Barrick have a major operation. Gravity surveys and mapping have recently been completed and evaluation is in progress.

During the past year we farewelled Chief Geologist, Bob Close, who moved to Oman and we were fortunate to recruit Garry Baglin in that position. I have known and worked with Garry for many years. Also Garry Edser joined the team in a permanent capacity.

I urge you all to register with us to receive ASX Announcements by email so you will be better appraised of the progress of **your** company. We at Gullewa, Allegiance Coal and Central Iron Ore look forward to your attendance at our AGM, and in your **participation** in our presentations.

The years ahead look bright and, subject to the 'icebergs' referred to above, we anticipate steady progress.



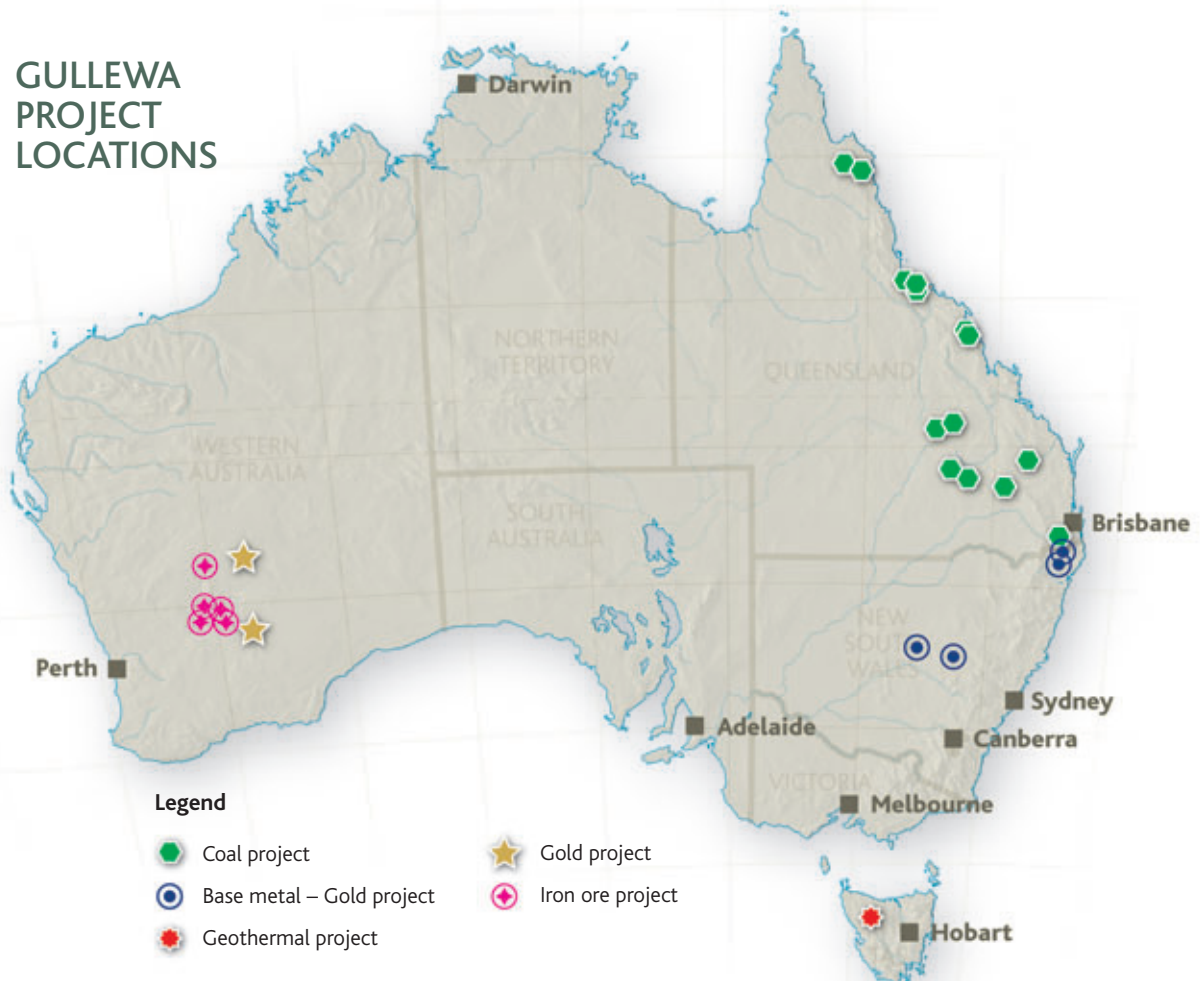
TONY HOWLAND-ROSE

MSc, DIC, FGS, FIMMM, FAusIMM, MAICD, FAIG, CEng

Executive Chairman

Review of Projects

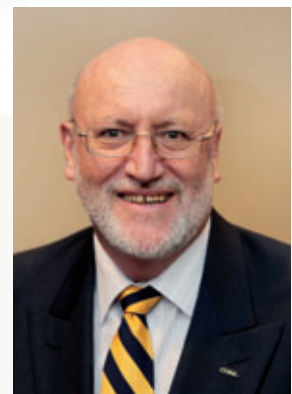
GULLEWA PROJECT LOCATIONS



ALLEGIANCE COAL LIMITED (Gullewa 80%)

Colin Randall *B.Eng, MMC, MMICA, FAusIMM, FCILTA*

Colin Randall is a graduate mining engineer B.Eng (Mining) with over 40 years experience in management and operation of open cut and underground coal mines and as well as in the exploration and development of new coal mines. He has a wide experience in all the aspects of coal transport and infrastructure required to bring coal mines into operation. He is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Mine Managers Association of Australia, Member of the Mineral Industries Consultants Association and a Fellow of the Chartered Institute of Logistics and Transport.



Gullewa, through its 80% interest in Allegiance Coal Limited (Allegiance), continued to build its portfolio of coal projects and now has an interest in 14 tenements covering approximately 2,400 km² in known Permian and Triassic-Jurassic coal basins in Queensland. The tenements comprise 13 Exploration Permits for Coal (EPCs) and 1 Mineral Development Licence (MDL) and are considered to have excellent potential for open pit and underground coal resources.



The Company's intention was to use capital raised from a new IPO to fund on-going exploration and to act as a springboard for detailed assessment and development of resources. Documentation was completed during the year by Independent geologists, Runge Ltd, and was included in a draft Prospectus in preparation for an IPO, however, the IPO was placed on hold due to the poor local and global financial conditions.

The Company's lead projects, Back Creek, Kilmain and Mintovale, are in Queensland's major coal producing areas of the Surat, Bowen and Moreton coal fields respectively.

Field activities on other projects during the year included the drilling of four shallow holes at the Roseneath Quarry near Townsville in early 2011.

Assessment of past drilling and mapping data of other projects is to be stepped up in the next year. The Company has submitted several additional exploration licence applications throughout the eastern seaboard of Queensland.

Back Creek Project (EPC 1297)

The Back Creek tenement area is located approximately 50 km northeast of Miles and 45 km southeast of Wandoan in the Surat Basin. Analysis of past drillhole data has revealed the existence of widespread drill intersections of the Taroom Coal Measures within the tenement. The data has identified up to 25 coal plies, grouped into 11 main coal intervals forming 3 seams; Auburn, Bulwer and Condamine. The seams vary in thickness up to a maximum of 7.6 m although plies are commonly not laterally continuous. The Company believes that there is excellent potential to define mineable resources in the northwestern and southern parts of the licence area.

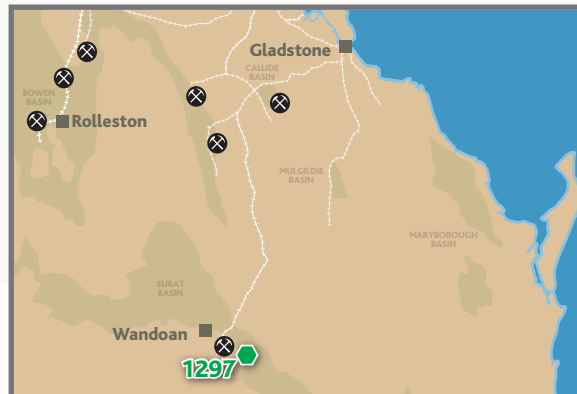
Location: 45 km south-east of Wandoan in the Surat Basin

Area: 68 km²

Target: Low ash thermal coal

Tenement: EPC 1297

Proximity to Infrastructure: Planned Surat Basin Rail Line is 20 km to the west of the tenement connecting to the Port of Gladstone



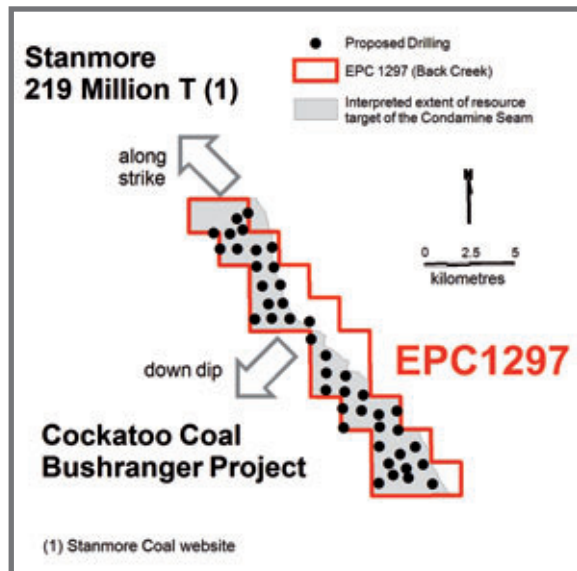
Location of EPC 1297 – Back Creek

The Range (219 Mt) and Bottle Creek (35 Mt) deposits, held by Stanmore Coal Limited and Cockatoo Coal Limited respectively, occur directly along strike of the Back Creek area. In addition, significant coal intersections have also been reported by Cockatoo Coal at their Bushranger prospect down dip.

In order to prepare a comprehensive geological model at Back Creek geological exchange agreements between the Company and adjacent tenement holders Cockatoo Coal (EPC 1813) and Stanmore Coal (EPC 1113) were concluded.

Consultants Tamplin Resources have collated the data and concluded that the Bulwer and Condamine seams of the Taroom Coal measures have potential for an 80 Mt open pit coal target within the Back Creek tenement. They have prepared a proposed two stage exploration/resource drilling programme to define JORC resources in this strategic property.

The proposed initial exploration drilling will use an approximate drillhole spacing of 1 km and is considered sufficient to define Inferred Resources. The commencement of drilling was postponed to the September 2011 Quarter because of extensive and extended rains in the region which prevented access. Signing of land access agreements and environmental studies to enable drilling in State Forests is continuing.



Proposed Drilling of Back Creek



Kilmain Project (EPCs 1298 and 1917)

The Kilmain tenement is located about 75 km southeast of Emerald in the Bowen Basin and is approximately 15 km west of the Rolleston rail line which connects to the Port of Gladstone.

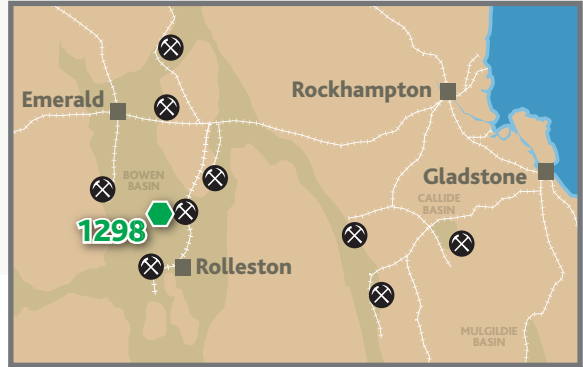
Location: Approximately 300 km west of the Port of Gladstone in the Bowen Basin

Area: 56 km² (8.7 km² overlaps MDL 340)

Target: Coking and Low ash thermal coal

Tenements: EPC 1298 (pending renewal) and EPC 1917

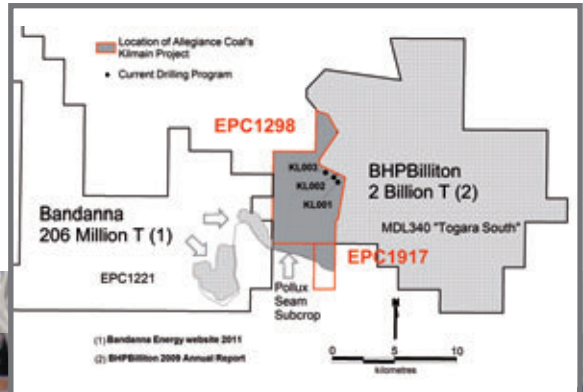
Proximity to Infrastructure: Approximately 12 km west of the Rolleston rail line which connects to the Port of Gladstone



Location of EPCs 1298 and 1917 – Kilmain

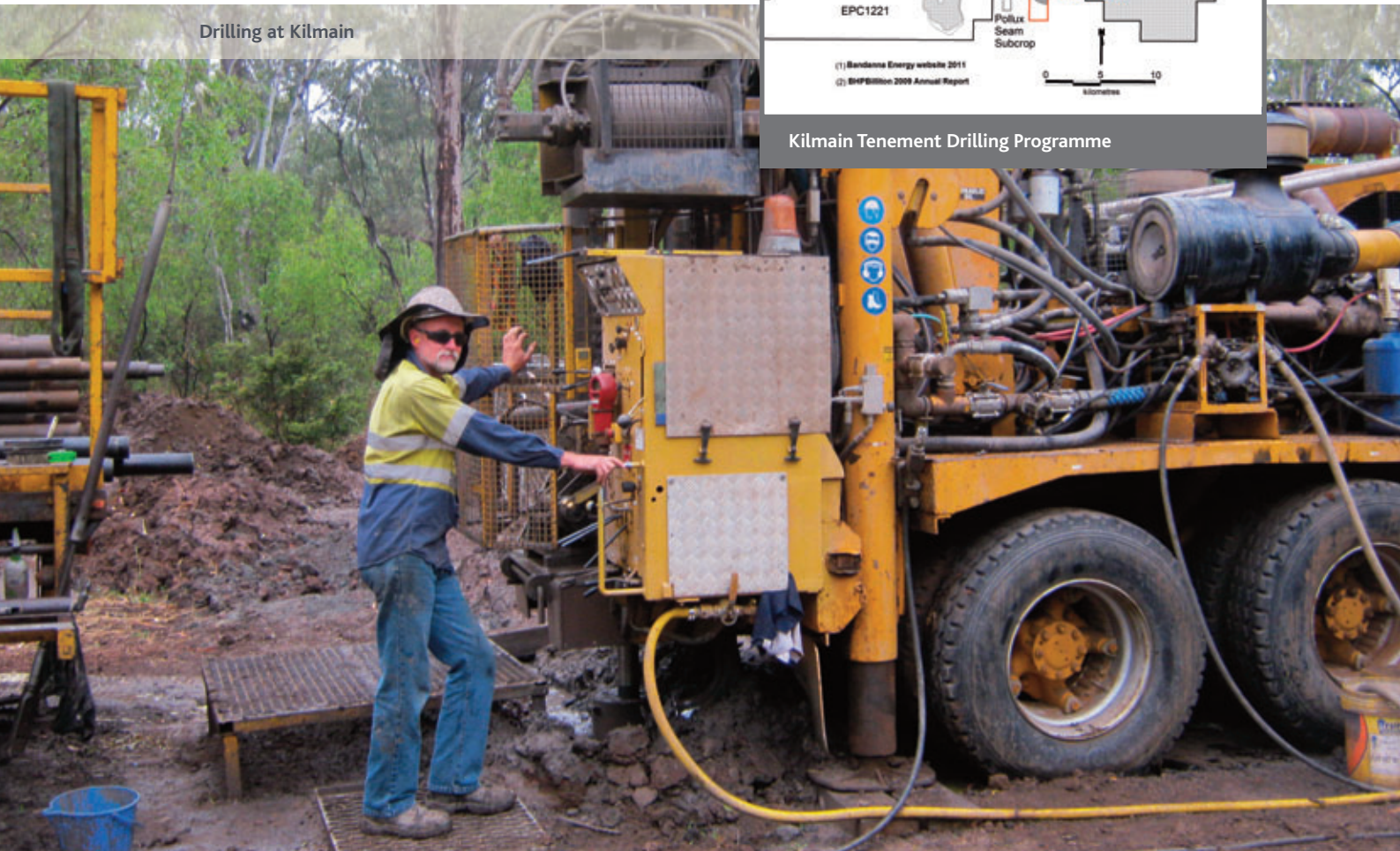
The project area has potential for a 100 Mt underground mining operation for coking and low ash thermal coal from the Aries, Castor, Pollux and Orion seams of the Rangal Coal Measures.

The project area is located to the east and down dip from BHP's Togara South that has total resources of 2.015 Bt. To the west, is Bandanna Energy's Arcturus project that has open cut and underground resources of 206.3 Mt. The planned Arcturus underground mine's eastern longwall blocks are truncated by the western boundary of EPC 1298 Kilmain and show clear potential for the resources to extend well into the Kilmain tenement.



Kilmain Tenement Drilling Programme

Drilling at Kilmain





Initial drilling at Kilmain is planned for the eastern margins of the tenement, with target depths of 250 m to 450 m. Drilling has been delayed by the heavy and consistent rainfalls during early 2011 and is due to commence toward the end of the September 2011 Quarter. Subsequent drilling is planned for the western areas when access is established.



Mintovale Project (MDL 138)

In December 2010, the Company completed the purchase of Moreton Coal Pty Ltd from Cockatoo Coal. Moreton Coal Pty Ltd is the holder of Mineral Development Licence 138 which hosts the Mintovale Project. The project is situated in the Moreton Basin south of Ipswich and 87 km southwest of Brisbane. It has a partially drill defined target of up to 5 Mt of shallow open cut Walloon thermal coal suitable for the domestic market or for export through the port of Brisbane.

The Company had intended to initiate drilling as soon as possible in an attempt to define suitable resources for early development, within a three year timeframe. Previous owners have identified one main coal seam comprising up to 20 plies over an interval of 30 m. Given the amount of previous drilling around this target, proposed infill and extensional drilling should quickly enable a JORC Indicated Resource to be established. However, recent announcements by the Queensland Government regarding restrictions on mining in southeast Queensland have raised serious doubts about the viability of the whole project and the Company is seeking additional advice regarding its position.

Townsville Project (EPCs 1492 and 1617)

Early records by the Geological Survey of Queensland report occurrences of coal in a railway cutting at Stewart Creek (now Stuart), south of Townsville. Percussion drilling in the immediate area of these reported occurrences and south around Roseneath during the early 1980s identified carbonaceous shale with plant remains and it was suggested that some intersections may be weathered impure coal horizons.

During the year, geological investigation of Permian carbonaceous outcrops within the Hanson shale quarries near Roseneath, by the Company, identified potential coal targets at depth. Four drillholes were completed in the quarry before cyclone Yasi struck. The drilling intersected down dip extensions to the carboniferous shale units mapped but no significant coal was found. This work has prompted a more regional assessment of the sedimentary sequence to define potential coal depocentres for more extensive evaluation drilling.

HYDROMINING COAL AUSTRALIA PTY LTD (Gullewa 80%)

Gullewa, through its 80% interest in Hydromining Coal Australia Pty Ltd continued to pursue investment possibilities in New South Wales, Queensland and South Australia. In conjunction with the University of Adelaide it is considering a joint research opportunity that could add to the company's potential targets and future prospects.

GULLEWA GEOTHERMAL PTY LTD

No work has been conducted during the year.



CENTRAL IRON ORE LIMITED (Gullewa 36.1%)

Brett Hodgins *BSc(Hons), GradDipAppFin, DipMngt*

Brett has 15 years of professional experience in the resources sector primarily focused on iron ore mining operations. He began his career as a geologist with Robe River Mining and Rio Tinto Iron Ore. During that time he was involved with the commissioning and development of the West Angelas and Hope Downs operations. His recent experience includes General Manager Project Development for Iron Ore Holdings. He brings a wide range of experience in operations and feasibility studies and has a broad knowledge of the iron ore sector. Brett has completed a Science Degree with Honours in Geology from Newcastle University and has also completed a Graduate Diploma in Finance and Investment from Financial Services Institute of Australasia.



Central Iron Ore Limited ('CIO') is a TSX-listed company exploring for gold and iron ore in the Yilgarn Craton of Western Australia. Gullewa completed the acquisition of a 49.1% interest during the year. Subsequent capital raisings by CIO have reduced the equity held by Gullewa to 36.1%. The capital raised is being used to advance all of the Company's projects although there is an initial emphasis on the iron ore projects.

Following the acquisition a restructure of the Board and Management of CIO was initiated. Mr Richard Homsany was appointed to the position of Chairman, Mr Brett Hodgins was appointed President and Chief Executive Officer and Mr Hugh Pinniger was appointed Chief Operating Officer. In May 2011, Mr Graham Hurwitz was appointed Chief Financial Officer and Mr Anthony Howland-Rose accepted a position on the CIO board.

Yilgarn Iron Ore Project

CIO has a total of 10 tenements covering 652 km² that are located within the Yilgarn Iron Ore Province (YIOP). The YIOP is considered highly prospective, given its history of large-scale iron ore production, with the Cliffs Natural Resources-owned Koolyanobbing operation (formerly operated by Portman Limited) currently producing at a rate of about 8 Mtpa of Direct Shipping Ore ('DSO'). The Yilgarn is increasingly being recognised as an attractive location for the development of iron ore, given its proximity to rail and access to ports.

The Company's Iron Ore Projects have been divided into logical infrastructure hubs:

1. Perinvale North
2. Perinvale South
3. Windarling
4. Diemals

The Company believes its greater Yilgarn tenement package provides a significant platform for the exploration for iron ore and will provide a significant, new future phase of growth for the Company.

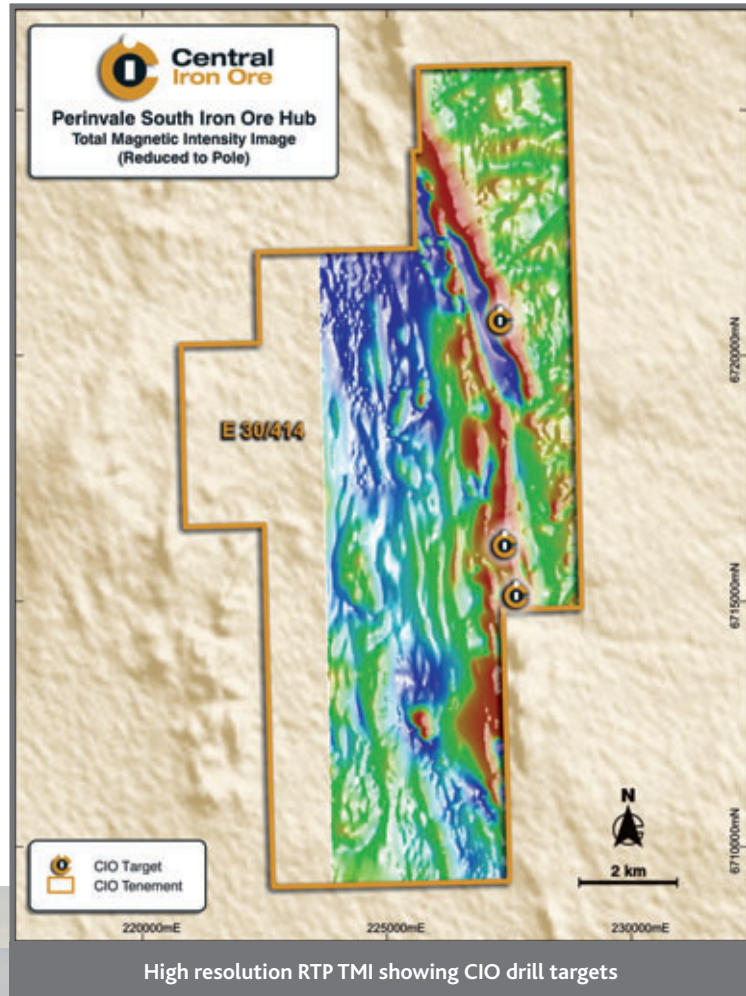
The initial strategy and objective of the Company is to evaluate the occurrence of both magnetite ore and direct shipping ore within the above tenements to gain an initial understanding of their respective resource potential.





In June 2011, CIO, through its wholly-owned subsidiary Central West Resources Pty Ltd, entered into a farm-in and Joint Venture Agreement with Pacific Ore Limited (ASX:PSF) ('Pacific') in respect of CIO's Perinvale North Iron Ore Hub ('Perinvale North Hub') whereby Pacific Ore Limited can earn up to an 80% interest by spending A\$15 million within five years. The Perinvale North Hub consists of Exploration Licence 57/818 covering an area of 120 km² and is located approximately 550 km northeast of Perth, Western Australia in the Yilgarn Iron Ore Province.

A high resolution helicopter magnetic survey and field mapping of the Perinvale South Hub were scheduled to commence in July 2011 with mapping commencing on the other hubs later in the year. Field activities will focus on regolith mapping, structural mapping, soil sampling and systematic sampling of potential iron ore targets exposed within the tenements.



Helicopter Magnetic Survey

High resolution RTP TMI showing CIO drill targets





GOLD

South Darlot Gold Project

The South Darlot gold project, which includes 100% of the British King mine, is approximately 320 km northwest of Kalgoorlie and is 5 km west of Barrick Gold Corporation's Darlot mine in the Yandall Greenstone Belt. The British King mine is currently under care and maintenance. A review of the resources will be undertaken in the following year.

In February 2011, CIO executed an agreement through its 100% CIO owned subsidiary, South Darlot Mines Pty Ltd with Barrick (Plutonic) Limited and Barrick (Darlot) NL (together 'Barrick') to joint venture by way of earn-in to Barrick's Southern Darlot gold project area ('Joint Venture'). The Joint Venture tenements are situated southwest of Barrick's Darlot gold mine and are contiguous with CIO's current holdings in the area.

Under the Agreement, CIO may progressively acquire an initial 51% interest, and management of the Joint Venture area, with an option to then increase its interest to 70% should it so choose. The agreed initial earn-in period is 24 months from the date of execution of the Agreement. The total spend required over this period is A\$450,000.

In addition to substantially increasing its effective contiguous tenement interests within its South Darlot gold project area ('SDGPA'), the Agreement gives CIO access to Barrick's extensive project data base and knowledge over the area of the Joint Venture tenements. There are a number of known anomalies within the area of the Joint Venture tenements and CIO is hopeful it can significantly advance these to the benefit of the Joint Venture parties.



Barrick's Darlot gold mine is an underground operation. Ore is treated by conventional carbon-in-leach technology at the on-site mill. Proven and probable mineral reserves as of 31 December 2009 were estimated at 444,000 ounces of gold.

A number of potential inter-company synergies may also exist and which could also be taken advantage of to suit, and result in operational savings and efficiencies for, the Joint Venture



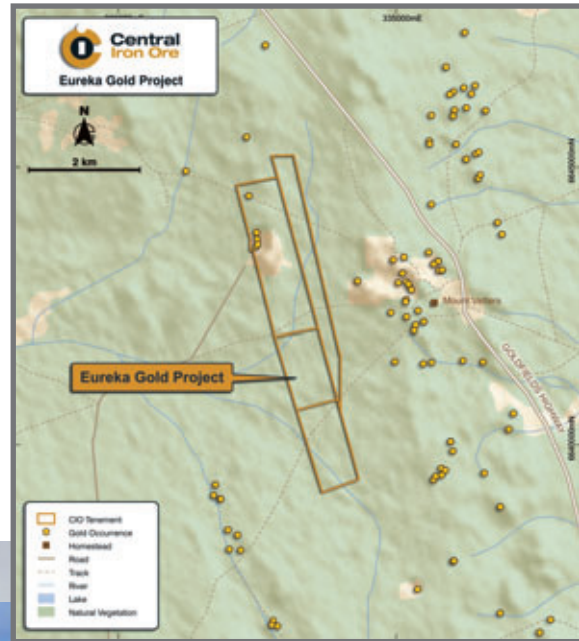
parties in regard to any exploration and related activities in and about the general SDGPA.

For the Barrick JV Project, the strategy and objective of CIO is to evaluate gold prospectivity and to deliver on target generation and exploration access approvals over the next 12 months.

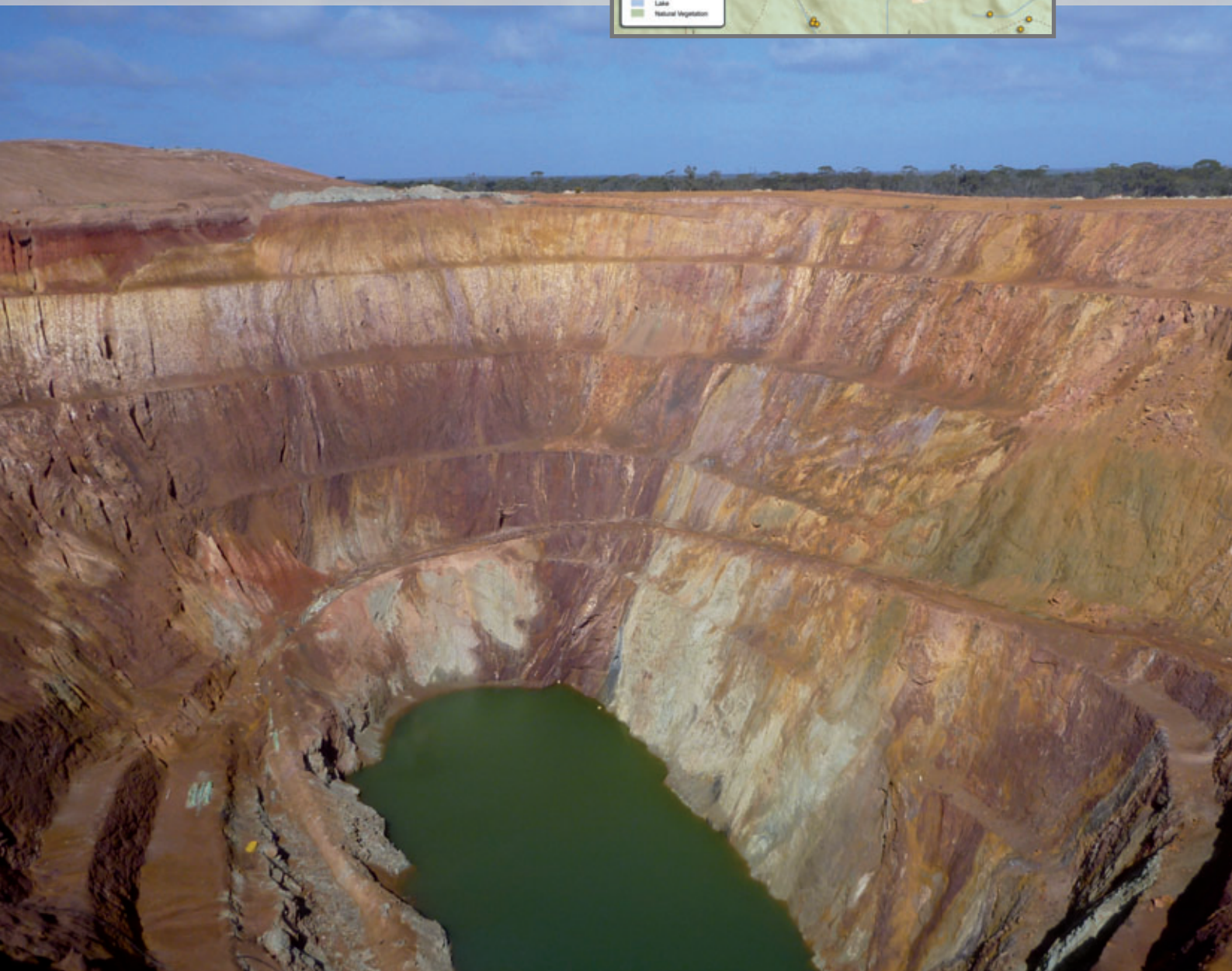
The Company's current tenement package covers 324 km².

Eureka Gold Project

The Eureka gold project is approximately 50 km north of Kalgoorlie and includes the Eureka open pit gold mine. The Eureka gold mine is currently under care and maintenance. CIO has re-focused the gold strategy and is actively working towards a greater tenement expansion in the Eureka region which will allow for regional and mine site exploration to commence. The Company's current tenement package is 563 hectares.



Eureka Open Pit Gold Mine





MINERALS

Garry Baglin *BSc, MMEE, MAIG, MAusIMM*

Garry joined Gullewa as Chief Geologist in March. He has been a mineral exploration geologist for over 35 years with international and Australian companies exploring for gold and base metals throughout Australia as well as Vanuatu, Fiji, the Philippines, Namibia, China and on the sea floor. He holds a BSc from the University of New South Wales and a Masters of Minerals & Energy Economics from Macquarie University. He is also a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.



Garry Edser *BAppSc, M.Geoscience, CBDM*

Garry joined Gullewa as GIS – Computer Geologist in June 2011. He has been a coal and mineral exploration geologist since 1980. Garry explored for coal in the Surat Basin in Qld and for minerals in Australia, PNG and Oman. He specialised in GIS – Database design from 1991–2011 prior to joining Gullewa. Garry holds a BAppSc from the University of Southern Queensland and a Masters of Geoscience from Macquarie University. He is a Microsoft-certified database developer.



Gullewa's wholly-owned subsidiaries now hold 14 tenements covering approximately 3,360 km² in New South Wales. The projects are located within two main regions, the Dubbo-Nyngan area in central NSW and the Grafton–Casino area in the northeast corner of the State.

Drilling of two copper-gold prospects at Dandaloo is planned late in 2011 or early 2012.

Central New South Wales

In the Dubbo-Nyngan area, the Company is targeting copper-gold porphyry style and orogenic gold deposits within the Ordovician to Devonian aged Macquarie Arc and now has a very strong tenement position in this region. Mafic-intermediate volcanic rocks of Ordovician to Devonian age, which host the well known projects at Cadia, North Parkes, Copper Hill and McPhillamy's extend northwards from Molong and Parkes beneath shallow cover.

Gullewa's exploration strategy is to utilise Ionex technology by geochemical consultants, Interresources Pty Ltd, along with selected geophysical surveys to define basement targets under less than 200 m of younger sediment cover for drill testing.

Claymor Resources (Gullewa 100%) holds four prospective mineral tenements (ELs 7022, 7259, 7260 and 7261) in the Dandaloo-Warren region near Narromine. Exploration of EL 7022, Dandaloo, is the most advanced with two diamond drill holes planned.

During 2010, stage IV detailed soil surveys (100 m by 100 m sample spacing) were conducted over the three best stage III anomalous zones within EL 7022. This sampling confirmed and refined several highly anomalous gold targets flanked by siderophile element halos within sites 2 and 3 that were then selected for geophysical assessment.

An Induced Polarisation ('IP') survey using 100 m-spaced dipole-dipole arrays on several lines was undertaken over these prime geochemical zones, however, the surveys were not completed due to access problems and difficult reading conditions caused by wet conductive ground.

Interpretation of the IP data revealed that prospective basement is at a depth of about 100 m and that there is a zone of low amplitude but anomalous chargeability responses that need to be qualified by different survey methods or more powerful equipment.

A high resolution ground magnetic survey was completed over part of the Dandaloo tenement to help refine drilling targets. The survey did identify some coincident features with the soil geochemical anomalies. An interpretation of the data supports a depth to fresh rock of around 100 m as well as indicating potential steep north easterly dips of some of the magnetic units.



The favourable geochemical results and geophysical interpretation have significantly upgraded the mineralisation potential at Dandaloo because the anomalous gold, arsenic and copper soil geochemistry occurs above strong bedrock magnetic features and depletion (alteration) zones commonly associated with porphyry copper-gold deposits. A number of the main anomalies lie along north to northwest trending structures defined by interpreted mafic volcanic units in the predominant Girilambone sediments to the west.

Windora Exploration (Gullewa 100%) has been granted four tenements (ELs 7695, 7762, 7780 and 7781) and Narwonah Pty Ltd (Gullewa 100%) another two tenements (ELs 7778 and 7779) over extensions of magnetic and structural target zones north of Molong and to the east of Dubbo. This will allow the company to further explore this district for possible surface geochemical anomalies related to bedrock structural gold and copper as well as for non-metallic mineralisation which may underlie the Mesozoic to Recent sedimentary cover.

Clarence Basin, Northeastern New South Wales

In the northeastern corner of New South Wales, Gullewa has targeted carbonaceous sequences of the Clarence Basin adjacent to the New England Orogen for stratabound gold and base metal deposits associated with Triassic and younger intrusive rocks.

Mummulgum Exploration Pty Ltd (Gullewa 100%) has been granted three tenements (ELs 7708, 7709 and 7710) covering a range of prospective mineralisation settings along the overlapping western margin of the Clarence Basin with the New England Orogen. Exploration will test for various primary and secondary gold and base metal styles of mineralisation in sediments as well as gold associated with volcanics rocks or buried intrusions. Potential also exists for the Jurassic carbonaceous sequences to host stratabound replacement base metal mineralisation.

Suitable drillcore from previous exploration groups, held at the government core facility, will be sourced and analysed for a broad range of elements.

A fourth tenement, EL 7716, was granted to New Italy Resources Pty Ltd (Gullewa 100%), and covers similar stratigraphy to the Mummulgum tenement areas, but on the eastern side of the Clarence basin west of Evans Head. Historic Mines Department drilling near Moonem, intersected coal in a small sedimentary basin but the samples were not tested for base or precious metals.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2011.

Directors

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

- Anthony Howland-Rose – Chairman (appointed on 2 December 2010)
- David Deitz
- Eddie Lee
- David Atkinson

Principal activities

The principal activities of the consolidated entity during the financial year were exploration and mining, property and investments in equities.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Review of Operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,936,326 (30 June 2010: \$762,665).

The consolidated entity, through its 80% interest in Allegiance Coal Limited, further progressed its involvement in coal in Queensland. Exploration for gold and base metals in New South Wales was advanced and the consolidated entity continued to hold shares in listed companies.

Refer to 'Review of operations' report for detailed commentary which precedes this directors' report.

Significant changes in the state of affairs

During the six months ended 30 June 2011 the consolidated entity acquired additional holdings of 17,050,000 shares and 3,785,000 warrants in Central Iron Ore Limited. The consolidated entity holds 26,250,000 shares and 7,625,000 warrants in Central Iron Ore Limited. The shareholding amounts to 36.10% of the issued capital of Central Iron Ore Limited.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 8 July 2011 the company's 50% subsidiary, Our Field Pty Ltd, completed the settlement of the sale of its property at St Ives.

On 16 August 2011 the Queensland Government issued an announcement suspending new exploration tenures in and around South Queensland, and in and around urban centres across the remainder of the state. Moreton Coal Pty Limited, a 100% subsidiary of Allegiance Coal Limited, holds a mineral development licence that will be impacted by this announcement. Given the recent timing of the announcement and the uncertainty over how this will affect exploration companies, management has not been able to assess the impact on the consolidated entity. Management anticipate further announcements on this issue during the 2012 financial year and will make an assessment of the impact on the consolidated entity at the appropriate time.

On 21 September 2011 the company announced that its 80% subsidiary, Allegiance Coal Limited ('Allegiance Coal'), was seeking to raise \$1,500,000 to \$2,000,000 of pre-Initial Public Offering capital from sophisticated investors. After the raising, the company will hold between 72% to 74% of Allegiance Coal. Further it is expected that an Initial Public Offering will take place later in 2011 or early 2012. The intention is to offer a further 15% to 24% of Allegiance Coal's share capital to raise \$5,000,000 to \$9,000,000.



No other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors



ANTHONY HOWLAND-ROSE (appointed on 2 December 2010)
Executive Director and Chairman

MSc, DIC, FGS, FIMMM, FAusIMM, MAICD, FAIG, CEng

Experience and expertise: Appointed to the Board in December 2010, Mr Howland-Rose has over 48 years experience in exploration, discovery, development and corporate activity worldwide in the junior exploration sector. He has been involved in some dozen discoveries and, most recently, in the Avebury Nickel Project, which was taken over by Zinifex Limited for \$850 million.

Other current directorships: Director of Central Iron Ore Limited, listed on the Toronto Stock Exchange – Venture (appointed on 3 June 2011)

Former directorships (in the last 3 years): Director of Allegiance Mining NL and resigned on 1 April 2008

Special responsibilities: None

Interests in shares: 12,159,478 ordinary shares

Interests in options: None



DAVID DEITZ
Executive Director and Chief Executive Officer

B.Com, MAusIMM, CPA

Experience and expertise: Appointed to the Board in July 1999, Mr Deitz, a Financial Accountant, has had over 20 years experience in the mineral exploration industry.

Other current directorships: None

Former directorships (in the last 3 years): Director of Allegiance Mining NL and resigned on 1 April 2008

Special responsibilities: None

Interests in shares: 25,611,121 ordinary shares

Interests in options: 11,200,000 options over ordinary shares



EDDIE LEE
Non-Executive Director

BE, BSc, DIP BDG SC

Experience and expertise: Appointed to the Board in October 1999, Mr Lee has extensive background in corporate management and is the Australia representative of several substantial Asian investment and corporate groups. Mr Lee has wide experience in the fields of civil engineering, finance, corporate management and mining.

Other current directorships: None

Former directorships (in the last 3 years): Director of Allegiance Mining NL and resigned on 1 April 2008 and Director of Metroland Australia Limited and resigned on 22 February 2010

Special responsibilities: None

Interests in shares: 3,038,378 ordinary shares

Interests in options: 1,980,000 options over ordinary shares



DAVID ATKINSON
Non-Executive Director

Experience and expertise: Appointed to the Board in October 2002, Mr Atkinson has over 22 years experience in the IT industry. He has held many roles as a director. He has extensive experience in the development of financial systems for Government, Advertising, Property and Telecommunications industries.

Other current directorships: None

Former directorships (in the last 3 years): None

Special responsibilities: None

Interests in shares: 395,278 ordinary shares

Interests in options: 2,640,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Graham Hurwitz (CA, B Comm (Hons)) was appointed company secretary of Gullewa Limited on 12 November 2010. Graham is a Chartered Accountant with 30 years experience in the areas of taxation, business services, business acquisitions and disposals. He is a Director of Hurwitz Geller Pty Ltd, a firm of Chartered Accountants. Prior to this he was the Chief Financial Officer at Allegiance Mining NL and a Director of an accountancy practice for over 20 years. David Atkinson was Company Secretary from 1 July 2010 until 12 November 2010 when he became joint Company Secretary. He resigned as joint Company Secretary on 28 February 2011.

Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2011, and the number of meetings attended by each director were:

	Full Board		Remuneration Committee		Audit Committee		Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Anthony Howland-Rose	9	9	1	1	1	1	1	1
David Deitz	15	15	1	1	1	1	1	1
Eddie Lee	15	15	1	1	1	1	1	1
David Atkinson	15	15	1	1	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information



A Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committees are responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants, the Nomination and Remuneration Committees have structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth and delivering constant or increasing return on assets
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committees. The Nomination and Remuneration Committees have also agreed to the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 November 2009, where the shareholders approved an aggregate remuneration of \$300,000.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.



Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific targets being achieved.

The long-term incentives ('LTI') includes long service leave and share-based payments. Shares are awarded to executives based on performance measures. The Nomination and Remuneration Committees intend to revisit the long-term equity-linked performance incentives specifically for executives during the year ending 30 June 2012.

Consolidated entity performance and link to remuneration

There is no link between the consolidated entity's performance and remuneration.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors of Gullewa Limited are set out in the following tables. There are no other key management personnel, defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity settled	
	\$	\$	\$	\$	\$	\$	
2011							
<i>Non-Executive Directors:</i>							
E Lee	44,679	–	–	–	–	–	44,679
D Atkinson	52,583	–	–	–	–	–	52,583
<i>Executive Directors:</i>							
A Howland-Rose	84,000	–	–	–	–	–	84,000
D Deitz	163,500	–	6,000	14,715	–	–	184,215
	344,762	–	6,000	14,715	–	–	365,477
2010							
<i>Non-Executive Directors:</i>							
E Lee	22,922	–	–	–	–	20,672	43,594
D Atkinson	87,730	–	–	–	–	20,672	108,402
<i>Executive Directors:</i>							
D Deitz	122,625	–	–	–	–	130,031	252,656
	233,277	–	–	–	–	171,375	404,652

The proportion of remuneration linked to performance and the fixed proportion are as follows:

		Fixed remuneration		At risk – STI		At risk – LTI	
		2011	2010	2011	2010	2011	2010
		<i>Non-Executive Directors:</i>	E Lee	100%	53%	– %	– %
	D Atkinson	100%	81%	– %	– %	– %	19%
<i>Executive Directors:</i>	A Howland-Rose	100%	– %	– %	– %	– %	– %
	D Deitz	100%	49%	– %	– %	– %	51%



C Service agreements

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2011.

Options

The terms and conditions of each grant of options affecting remuneration in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
30 November 2006	Vested immediately	30 November 2011	\$0.073	\$0.0189
8 December 2009	Vested immediately	30 November 2014	\$0.119	\$0.0313

Options granted carry no dividend or voting rights.

Details of options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2011 are set out below:

	Number of options granted during the year		Number of options vested during the year	
	2011	2010	2011	2010
David Deitz	–	4,200,000	–	4,200,000
Eddie Lee	–	640,000	–	640,000
David Atkinson	–	640,000	–	640,000

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel during the year ended 30 June 2011 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	%
David Deitz	–	320,213	–	–
Eddie Lee	–	161,870	–	–
David Atkinson	–	101,545	–	–

E Additional information

The earnings of the consolidated entity for the five years to 30 June 2011 are summarised below:

	2007	2008	2009	2010	2011
	\$	\$	\$	\$	\$
Revenue	8,419,817	10,705,291	523,635	930,778	702,207
Profit/(loss) before income tax	6,485,484	3,809,711	(1,404,723)	(1,173,988)	(2,727,612)
Profit/(loss) after income tax	5,424,492	2,593,085	32,913	(747,809)	(1,981,256)



The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2007	2008	2009	2010	2011
Share price at financial year end (\$A)	0.090	0.060	0.045	0.092	0.110
Basic earnings per share (cents per share)	4.310	2.050	0.026	(0.590)	(1.330)
Diluted earnings per share (cents per share)	4.200	1.830	0.026	(0.590)	(1.330)

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Gullewa Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 November 2006	30 November 2011	\$0.073	10,340,000
8 December 2009	30 November 2014	\$0.119	5,480,000
7 March 2011	6 March 2016	\$0.223	4,475,000
16 May 2011	15 May 2016	\$0.223	1,000,000
			21,295,000

Shares issued on the exercise of options

The following ordinary shares of Gullewa Limited were issued during the year ended 30 June 2011 on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
11 October 2005	\$0.033	2,378,378
11 October 2005	\$0.033	9,878,378
11 October 2005	\$0.073	660,000
		12,916,756

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.



Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence for the following reasons:

- ▶ all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- ▶ none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of Deloitte Touche Tohmatsu

There are no officers of the company who are former audit partners of Deloitte Touche Tohmatsu.

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 24.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'David Deitz', with a long horizontal stroke extending to the right.

David Deitz
Director

27 September 2011

Sydney

Corporate Governance

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2011.

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles and Recommendations"), Gullewa Limited ("company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Principles and Recommendations, the company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the company and the Board, resources available and activities of the company. Where, after due consideration, the company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the company's corporate governance practices is set out on the company's website at www.gullewa.com. In accordance with the ASX Principles and Recommendations, information published on the company's website includes charters (for the board and its sub-committees), the company's code of conduct and other policies and procedures relating to the Board and its responsibilities.

Explanations for Departures from Best Practice Recommendations

During the Company's 2010/2011 financial year ("Reporting Period"), the company has complied with the ASX Principles and Recommendations other than in relation to the matters specified below:

Principle Reference	Recommendation Reference	Notification of Departure	Explanation of Departure
2	2.1	The majority of the board's directors are not independent as 2 of the 4 directors are both substantial shareholders and executive directors of the company.	The skills and experience of both the independent and non independent directors allow the board to act in the best interests of the shareholder.
2	2.4	The chairman is an executive of the company. He is also a substantial shareholder.	The board considers that, in view of the size and scope of the company's activities, it is appropriate for Mr. Howland-Rose to lead the company. The Board considers that Mr. Howland-Rose is the most suitably qualified Board member to fulfil this role subject to review by the Board from time to time to ensure that the best interests of the company and its shareholders continue to be served by the current structure.

Nomination Committee

The names and qualifications of those appointed to the nomination committee, being the full Board, and their attendance at meetings of the committee are included in the directors' report.

Remuneration Committee

The names of the members of the remuneration committee, being the full Board, and their attendance at meetings of the committee are included in the directors' report.

Further details of remuneration, including the company's policy on remuneration, are contained in the 'Remuneration report' which forms part of the directors' report.



Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

Independent Directors

In considering the independence of directors, the Board refers to the criteria for independence as recommended by the ASX. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter/Statement of Board and Management Functions, which is disclosed in full on the company's website.

Applying the independence criteria, the Board considers that Messrs David Atkinson and Eddie Lee are independent.

Statement Concerning Availability of Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director, then provided the director first obtains approval for incurring such expense from the chairperson, the company will pay the reasonable expenses associated with obtaining such advice.

Confirmation Whether Performance Evaluation of the Board

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

Other Information

Further information relating to the company's corporate governance practices and policies have been made publicly available on the company's website.

Website: www.gullewa.com

Auditor's Independence Declaration

To the directors of Gullewa Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Private & Confidential

The Board of Directors
Gullewa Limited
Level 8 Quantum House
49-51 York Street
Sydney NSW 2000

Dear Board Members

Gullewa Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gullewa Limited.

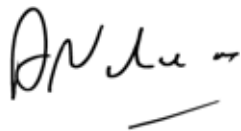
As lead audit partner for the audit of the financial statements of Gullewa Limited for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants

Sydney, 27 September 2011

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited



Financial Report

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General Information

The financial report covers Gullewa Limited as a consolidated entity consisting of Gullewa Limited and the entities it controlled.

The financial report is presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

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

Gullewa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8, 49–51 York Street
Sydney NSW 2000

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 27 September 2011. The directors have the power to amend and reissue the financial report.

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	CONSOLIDATED	
		2011	2010
		\$	\$
Revenue	4	33,481	111,536
Share of profits of associates accounted for using the equity method	5	144,429	21,042
Other income	6	668,726	819,242
Expenses			
Administration expenses		(804,824)	(784,432)
Employee benefits expense		(985,544)	(167,872)
Professional expenses		(837,600)	(127,785)
Depreciation and amortisation expense	7	(28,935)	(19,066)
Business combination expense		(160,276)	–
Share of loss of associates accounted for using the equity method		(368,488)	–
Other expenses		(427,878)	(1,019,517)
Finance costs	7	(21,456)	(7,136)
Loss before income tax benefit		(2,788,365)	(1,173,988)
Income tax benefit	8	746,356	426,179
Loss after income tax benefit for the year		(2,042,009)	(747,809)
Other comprehensive income			
Gain on the revaluation of available-for-sale financial assets, net of tax		–	105,000
Impairment of available-for-sale financial assets		(105,000)	–
Other comprehensive income for the year, net of tax		(105,000)	105,000
Total comprehensive income for the year		(2,147,009)	(642,809)
Loss for the year is attributable to:			
Non-controlling interest		(105,683)	14,856
Owners of Gullewa Limited	23	(1,936,326)	(762,665)
		(2,042,009)	(747,809)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(105,683)	14,856
Owners of Gullewa Limited		(2,041,326)	(657,665)
		(2,147,009)	(642,809)
		Cents	Cents
Basic earnings per share	38	(1.38)	(0.59)
Diluted earnings per share	38	(1.38)	(0.59)

Statement of Financial Position

As at 30 June 2011

	Note	CONSOLIDATED	
		2011	2010
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	9	3,542,078	7,317,500
Trade and other receivables	10	579,076	444,469
Other financial assets	11	311,555	738,093
		4,432,709	8,500,062
Non-current assets classified as held for sale	12	2,277,004	1,300,000
Total current assets		6,709,713	9,800,062
Non-current assets			
Investments accounted for using the equity method	13	2,184,331	676,751
Other financial assets	14	23,826	621,502
Property, plant and equipment	15	59,056	74,022
Intangibles	16	233,958	229,342
Exploration and evaluation	17	1,991,515	693,484
Deferred tax	18	913,534	475,579
Total non-current assets		5,406,220	2,770,680
Total assets		12,115,933	12,570,742
LIABILITIES			
Current liabilities			
Trade and other payables	19	492,754	182,534
Borrowings	20	946,891	49,250
Total current liabilities		1,439,645	231,784
Total liabilities		1,439,645	231,784
NET ASSETS		10,676,288	12,338,958
EQUITY			
Contributed equity	21	20,928,726	20,345,098
Reserves	22	609,772	814,061
Accumulated losses	23	(10,864,013)	(8,927,687)
Equity attributable to the owners of Gullewa Limited		10,674,485	12,231,472
Non-controlling interest	24	1,803	107,486
TOTAL EQUITY		10,676,288	12,338,958

Statement of Changes in Equity

For the year ended 30 June 2011

	CONSOLIDATED				
	Contributed equity	Reserves	Accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2009	19,845,098	617,686	(8,165,022)	–	12,297,762
Other comprehensive income for the year, net of tax	–	105,000	–	–	105,000
Profit/(loss) after income tax benefit for the year	–	–	(762,665)	14,856	(747,809)
Total comprehensive income for the year	–	105,000	(762,665)	14,856	(642,809)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	500,000	–	–	–	500,000
Issue of options	–	171,375	–	–	171,375
Capital contribution	–	–	–	20,000	20,000
Arising on acquisition of subsidiary	–	–	–	72,630	72,630
Arising on additional investment in already controlled entity	–	(80,000)	–	–	(80,000)
Balance at 30 June 2010	20,345,098	814,061	(8,927,687)	107,486	12,338,958
Balance at 1 July 2010	20,345,098	814,061	(8,927,687)	107,486	12,338,958
Other comprehensive income for the year, net of tax	–	(105,000)	–	–	(105,000)
Loss after income tax benefit for the year	–	–	(1,936,326)	(105,683)	(2,042,009)
Total comprehensive income for the year	–	(105,000)	(1,936,326)	(105,683)	(2,147,009)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	446,196	–	–	–	446,196
Transfer of options to shares	137,432	(137,432)	–	–	–
Issue of options	–	38,143	–	–	38,143
Balance at 30 June 2011	20,928,726	609,772	(10,864,013)	1,803	10,676,288

Statement of Cash Flows

For the year ended 30 June 2011

	Note	CONSOLIDATED	
		2011	2010
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,630	122,690
Payments to suppliers and employees (inclusive of GST)		(2,580,672)	(2,369,611)
		(2,570,042)	(2,246,921)
Other revenue		22,851	–
Interest and other finance costs paid		(21,456)	(7,136)
Income taxes refunded		–	203,600
Net cash used in operating activities	37	(2,568,647)	(2,050,457)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	33	–	(59,860)
Payments for investment property		(977,004)	(87,477)
Payments for property, plant and equipment	15	(9,571)	(51,793)
Payments for intangibles	16	(9,443)	(19,745)
Payments for exploration and evaluation	17	(1,123,484)	(211,364)
Payments for financial assets at fair value through profit or loss		(4,914)	(302,404)
Payments for equity accounted investments		(1,736,091)	(39,386)
Bank overdraft acquired on purchase		–	(4,795)
Payments for available-for-sale financial assets		–	(200,000)
Proceeds from sale of property, plant and equipment		429	–
Proceeds from disposal of financial assets at fair value through profit or loss		938,103	233,420
Proceeds from equity accounted investments		4,452	–
Interest received		369,235	363,704
Interest capitalisation for security deposits		(2,324)	–
Net cash used in investing activities		(2,550,612)	(379,700)
Cash flows from financing activities			
Proceeds from issue of shares	21	446,196	–
Movement on borrowings		897,641	(1,512)
Net cash from/(used in) financing activities		1,343,837	(1,512)
Net decrease in cash and cash equivalents		(3,775,422)	(2,431,669)
Cash and cash equivalents at the beginning of the financial year		7,317,500	9,749,169
Cash and cash equivalents at the end of the financial year	9	3,542,078	7,317,500

Notes to the Financial Statements

30 June 2011

Note 1: Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

The consolidated entity has early adopted AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the consolidated entity. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2 Share-based Payment Transactions – amendments for Group Cash-settled Share-based Payment Transactions

The consolidated entity has applied the amendments to AASB 2 from 1 July 2010. The amendments clarified the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the consolidated entity settles the transaction, and no matter whether the transaction is settled in shares or cash.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

The consolidated entity has applied Interpretation 19 from 1 July 2010. The interpretation clarified that equity instruments issued to a creditor to extinguish a financial liability qualifies as consideration paid. The equity instruments issued are measured at their fair value, or if not reliably measured, at the fair value of the liability extinguished, with any gain or loss recognised in profit or loss.

AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The consolidated entity has applied AASB 2009-5 amendments from 1 July 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

- AASB 101 'Presentation of Financial Statements' – classification is not affected by the terms of a liability that could be settled by the issuance of equity instruments at the option of the counterparty;
- AASB 107 'Statement of Cash Flows' – only expenditure that results in a recognised asset can be classified as a cash flow from investing activities;
- AASB 117 'Leases' – removal of specific guidance on classifying land as a lease;
- AASB 118 'Revenue' – provides additional guidance to determine whether an entity is acting as a principal or agent; and
- AASB 136 'Impairment of Assets' – clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 'Operating Segments' before aggregation for reporting purposes.

AASB 2009-10 Amendments to AASB 132 – Classification of Rights Issues

The consolidated entity has applied AASB 2009-10 from 1 July 2010. The amendments clarified that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendment therefore provides relief to entities that issue rights in a currency other than their functional currency from treating the rights as derivatives with fair value changes recorded in profit or loss.



AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The consolidated entity has applied AASB 2010-3 amendments from 1 July 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting. The main changes were:

- AASB 127 'Consolidated and Separate Financial Statements' and AASB 3 Business Combinations – clarifies that contingent consideration from a business combination that occurred before the effective date of revised AASB 3 is not restated; the scope of the measurement choices of non-controlling interest is limited to when the rights acquired include entitlement to a proportionate share of net assets in the event of liquidation; requires an entity in a business combination to account for the replacement of acquiree's share-based payment transactions, unreplaced and voluntarily replaced, by splitting between consideration and post combination expenses.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments are a consequence of the annual improvements project and make numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provide clarification of disclosures in AASB 7 'Financial Instruments: Disclosures', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instrument; clarifies that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with AASB 101 'Presentation of Financial Statements'; and provides guidance on the disclosure of significant events and transactions in AASB 134 'Interim Financial Reporting'. The consolidated entity has early adopted these amendments from 1 July 2010 and they have not had a material impact on the consolidated entity.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

For the year ended 30 June 2011, the consolidated entity incurred a loss from continuing operations after tax of \$1,981,256 (2010: \$747,809). In the same period the consolidated entity had operating cash outflows of \$2,568,647 (2010: \$2,050,457).

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

No adjustments have been made relating to recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. Notwithstanding the above the directors' have prepared the financial statements on a going concern basis as they regularly monitor the consolidated entity's cash positions and, on an on-going basis, consider a number of strategic and operation plans and initiatives to ensure that adequate funding continues to be available for the consolidated entity to meet its objectives and financial obligations.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.



Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gullewa Limited ('company' or 'parent entity') as at 30 June 2011 and the results of all subsidiaries for the year then ended. Gullewa 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 the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. 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. Refer to the 'business combinations' accounting policy for further details. 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 comprehensive income and statement of financial position 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.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of commodities

Revenue from the sale of commodities is recognised upon the delivery of commodities to customers and the associated risks of ownership have passed.

Sale of shares

Revenue on the sale of shares at fair value through profit or loss and available-for-sale assets is recognised on trade date when the risks and rewards of ownership have passed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established



Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- ▶ When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- ▶ When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Gullewa Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Non-current assets or disposal groups classified as held for sale

Investment property, principally comprising freehold land and buildings, is held for capital growth and is not occupied by the consolidated entity. These non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current assets but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.



Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Investments and other financial assets

Investments and other financial assets are 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. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

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 mis-match. 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.

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.

The amount of the impairment allowance for loans and receivables carried at amortised cost 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. If there is a reversal of impairment, the reversal can not exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

- Plant and equipment 5 years
- Motor vehicles 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.



An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependant on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Where an entity or operation is acquired in a business combination, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Computer software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.



Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings.

Employee benefits

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to directors and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gullewa Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2011. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint Operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures', Interpretation 12 'Service Concession Arrangements' and Interpretation 13 'Customer Loyalty Programmes'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made by the consolidated entity in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets, but not liabilities. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

IAS 1 (AASB 101) Presentation of Financial Statements (Revised)

This revised standard is applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss. The change provides clarity about the nature of items presented as other comprehensive income and their future impact. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow



characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 124 Related Party Disclosures (December 2009)

This revised standard is applicable to annual reporting periods beginning on or after 1 January 2011. This revised standard simplifies the definition of a related party by clarifying its intended meaning and eliminating inconsistencies from the definition. The definition now identifies a subsidiary and an associate with the same investor as related parties of each other; entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. This revised standard introduces a partial exemption of disclosure requirement for government-related entities. The adoption of this standard from 1 July 2011 will not have a material impact on the consolidated entity.

AASB 127 Separate Financial Statements (Revised) AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011)

This revised standard is applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The adoption of the revised standard from 1 July 2013 will require increased disclosures by the consolidated entity.

AASB 2009-12 Amendments to Australian Accounting Standards

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, which have no major impact on the requirements of the amended pronouncements. The main amendment is to AASB 8 'Operating Segments' and requires an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The adoption of these amendments from 1 July 2011 will not have a material impact on the consolidated entity.

AASB 2010-5 Amendments to Australian Accounting Standards

These amendments are applicable to annual reporting periods beginning on or after 1 January 2011. These amendments makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board. The adoption of these amendments from 1 July 2011 will not have a material impact on the consolidated entity.

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 July 2011. These amendments add and amend disclosure requirements in AASB 7 about transfer of financial assets, including the nature of the financial assets involved and the risks associated with them. The adoption of these amendments from 1 July 2011 will increase the disclosure requirements on the consolidated entity when an asset is transferred but is not derecognised and new disclosure required when assets are derecognised but the consolidated entity continues to have a continuing exposure to the asset after the sale.

AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that



economic benefits of the underlying asset will be consumed during its economic life. The consolidated entity is yet to quantify the tax effect of adopting these amendments from 1 July 2012.

AASB 1054 Australian Additional Disclosures

This Standard is applicable to annual reporting periods beginning on or after 1 July 2011. The standard sets out the Australian-specific disclosures, which are in addition to International Financial Reporting Standards, for entities that have adopted Australian Accounting Standards. The adoption of these amendments from 1 July 2011 will not have a material impact on the consolidated entity.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project and AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements

These amendments are applicable to annual reporting periods beginning on or after 1 July 2011. They make changes to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The amendments remove certain guidance and definitions from Australian Accounting Standards for conformity of drafting with International Financial Reporting Standards but without any intention to change requirements. The adoption of these amendments from 1 July 2011 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel (KMP). The adoption of these amendments from 1 July 2013 will remove the duplication of relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

The amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.

Note 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.



Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3: Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 3 operating segments: investments, property development and exploration and evaluation. These operating segments are based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segments are identified by management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the CODM for the management and performance of these reportable segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Investments	The consolidated entity invests in shares in listed entities with a view to capital appreciation.
Property development	The consolidated entity acquires investment properties with a view to capital appreciation and derivation of rental income.
Exploration and evaluation	The consolidated entity is involved in exploration and evaluation for minerals.



Note 3: Operating segments continued

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

The consolidated entity does not generate revenue from customers.

Operating segment information

	Exploration and evaluation	Property development	Investments	Inter-segment eliminations/unallocated	Consolidated
	\$	\$	\$	\$	\$
2011					
REVENUE					
Share of profits of associates	–	–	144,429	–	144,429
Other income	–	–	103,232	598,975	702,207
Total revenue	–	–	247,661	598,975	846,636
Segment result	(381,368)	(62,946)	(120,827)	(2,542,068)	(3,107,209)
Depreciation and amortisation	–	–	–	(28,935)	(28,935)
Interest revenue	–	–	–	369,235	369,235
Finance costs	–	–	–	(21,456)	(21,456)
Loss before income tax benefit	(381,368)	(62,946)	(120,827)	(2,223,224)	(2,788,365)
Income tax benefit					746,356
Loss after income tax benefit					(2,042,009)
ASSETS					
Segment assets	1,991,565	2,277,004	2,519,712	5,327,652	12,115,933
Total assets					12,115,933
<i>Total assets includes:</i>					
Investments in associates	–	–	2,184,331	–	2,184,331
Acquisition of non-current assets	1,333,808	–	1,507,580	–	2,841,388
LIABILITIES					
Segment liabilities	353,394	593,497	–	492,754	1,439,645
Total liabilities					1,439,645



Note 3: Operating segments continued

	Exploration and evaluation	Property development	Investments	Inter-segment eliminations/unallocated	Consolidated
	\$	\$	\$	\$	\$
2010					
REVENUE					
Share of profits of associates	–	–	21,042	–	21,042
Other income	–	337,523	118,015	475,240	930,778
Total revenue	–	337,523	139,057	475,240	951,820
Segment result	(131,315)	233,126	97,340	(1,710,641)	(1,511,490)
Depreciation and amortisation	–	–	–	(19,066)	(19,066)
Interest revenue	–	–	–	363,704	363,704
Finance costs	–	–	–	(7,136)	(7,136)
Profit/(loss) before income tax benefit	(131,315)	233,126	97,340	(1,373,139)	(1,173,988)
Income tax benefit					426,179
Loss after income tax benefit					(747,809)
ASSETS					
Segment assets	693,484	1,300,000	2,036,346	8,540,912	12,570,742
Total assets					12,570,742
<i>Total assets includes:</i>					
Investments in associates	–	–	676,751	–	676,751
Acquisition of non-current assets	663,364	162,904	502,403	–	1,328,671
LIABILITIES					
Segment liabilities	–	–	–	231,784	231,784
Total liabilities					231,784

Note 4: Revenue

Other revenue

	CONSOLIDATED	
	2011	2010
	\$	\$
Rent	1,650	–
Bad debts recovered	8,980	107,085
Other revenue	22,851	4,451
Revenue	33,481	111,536



**Note 5:
Share of profits of associates accounted
for using the equity method**

Share of profit – associates

CONSOLIDATED	
2011	2010
\$	\$

	144,429	21,042
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Note 6: Other income

Net fair value gain on investment properties

Interest income

Profit on listed shares held for trading

Discount on purchase

Other income

	–	337,523
	369,235	363,704
	103,232	118,015
	196,259	–
	668,726	819,242

Note 7: Expenses

Loss before income tax includes the following specific expenses:

Depreciation

Plant and equipment

Motor vehicles

Total depreciation

	13,745	13,559
	10,363	2,916
	24,108	16,475

Amortisation

Computer software

Total depreciation and amortisation

	4,827	2,591
	28,935	19,066

Impairment

Exploration and evaluation

	35,777	–
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Finance costs

Interest and finance charges paid/payable

	21,456	7,136
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Rental expense relating to operating leases

Minimum lease payments

	94,063	65,324
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Superannuation expense

Defined contribution superannuation expense

	44,513	25,974
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Share-based payments expense

Share-based payments expense

	38,143	171,375
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	CONSOLIDATED	
	2011	2010
	\$	\$
Note 8: Income tax benefit		
<i>Income tax benefit</i>		
Current tax	(353,401)	(264,685)
Deferred tax	(392,955)	(222,579)
Under provision in prior years	–	61,085
Aggregate income tax benefit	(746,356)	(426,179)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 18)	(392,955)	(222,579)
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Loss before income tax benefit	(2,788,365)	(1,173,988)
Tax at the Australian tax rate of 30%	(836,510)	(352,196)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible amounts	90,154	68,532
	(746,356)	(283,664)
Under provision in prior years	–	61,085
Refundable tax offsets	–	(203,600)
Income tax benefit	(746,356)	(426,179)
<i>Amounts charged/(credited) directly to equity</i>		
Deferred tax assets (note 18)	(45,000)	45,000
Note 9: Current assets – trade and other receivables		
Cash on hand	1,492	1,033
Cash at bank	3,540,586	7,316,467
	3,542,078	7,317,500
Note 10: Current assets – trade and other receivables		
Other receivables and deposits	579,076	444,469
Note 11: Current assets – other financial costs		
Designated at fair value through profit or loss	209,505	738,093
Shares in unlisted corporations – at cost	102,050	–
	311,555	738,093



Note 12:
Current assets – non-current assets classified as held for sale

Investment property – Normanhurst
Investment property – West Pymble

CONSOLIDATED	
2011	2010
\$	\$
1,354,804	1,300,000
922,200	–
2,277,004	1,300,000

123 Pennant Hills Road, Normanhurst

The investment property comprises land at 123 Pennant Hills Road, Normanhurst, New South Wales. The work required to create a sub-division into four lots is complete. The sub-divided blocks of land are for sale at prices nominated by the company. The investment property is stated at fair value.

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar market conditions. The revaluations for the year ended 30 June 2010 were based on independent assessments made by a qualified member of the Australian Property Institute, who has recent experience in the location and category of property being valued.

67 Yanko Road, West Pymble

This property comprises a house and land at 67 Yanko Road, West Pymble, New South Wales. The company will seek local council approval for subdivision of the property to increase its value.

There were no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements as of 30 June 2011.

Note 13:
Non-current assets – investments accounted for using the equity method

Investment in associates

CONSOLIDATED	
2011	2010
\$	\$
2,184,331	676,751

Refer to note 35 for detailed information on investments in associates.

Note 14: Non-current assets – other financial assets

Shares in unlisted corporations – at valuation
Term deposits

–	600,000
23,826	21,502
23,826	621,502



Note 15: Non-current assets – property, plant and equipment

	CONSOLIDATED	
	2011	2010
	\$	\$
Plant and equipment – at cost	83,056	73,485
Less: Accumulated depreciation	(56,804)	(43,059)
	26,252	30,426
Motor vehicles – at cost	51,818	88,762
Less: Accumulated depreciation	(19,014)	(45,166)
	32,804	43,596
	59,056	74,022

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	CONSOLIDATED		
	Plant and equipment	Motor vehicles	Total
	\$	\$	\$
Balance at 1 July 2009	28,199	6,616	34,815
Additions	11,897	39,896	51,793
Additions through business combinations (note 33)	3,889	–	3,889
Depreciation expense	(13,559)	(2,916)	(16,475)
Balance at 30 June 2010	30,426	43,596	74,022
Additions	9,571	–	9,571
Disposals	–	(429)	(429)
Depreciation expense	(13,745)	(10,363)	(24,108)
Balance at 30 June 2011	26,252	32,804	59,056



Note 16: Non-current assets – intangibles

	CONSOLIDATED	
	2011	2010
	\$	\$
Goodwill – at cost	210,039	210,039
	210,039	210,039
Computer software – at cost	26,982	21,104
Less: Accumulated amortisation	(7,478)	(2,651)
	19,504	18,453
Other intangibles – at cost	4,415	850
	4,415	850
	233,958	229,342

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	CONSOLIDATED			
	Goodwill	Computer Software	Other Intangibles	Total
	\$	\$	\$	\$
Balance at 1 July 2009	–	1,299	850	2,149
Additions	–	19,745	–	19,745
Additions through business combinations (note 33)	210,039	–	–	210,039
Amortisation expense	–	(2,591)	–	(2,591)
Balance at 30 June 2010	210,039	18,453	850	229,342
Additions	–	5,878	3,565	9,443
Amortisation expense	–	(4,827)	–	(4,827)
Balance at 30 June 2011	210,039	19,504	4,415	233,958

The goodwill arose on the acquisition of the shares in Mineral and Coal Investments Pty Limited in November 2009 (refer Note 33 for details). The directors believe that the value of the goodwill is supported by the Independent Geologist Report prepared by Runge Limited and announced to the ASX on 26 May 2010.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill may vary in carrying amount.

Management believes that reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment of goodwill.



Note 17: Non-current assets – exploration and evaluation

Exploration, evaluation and development assets – at cost

Less: Impairment

CONSOLIDATED	
2011	2010
\$	\$
2,027,292	693,484
(35,777)	–
1,991,515	693,484
1,991,515	693,484

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	CONSOLIDATED	
	Exploration, Evaluation & Development	Total
	\$	\$
Balance at 1 July 2009	30,120	30,120
Additions	210,864	210,864
Additions through business combinations (note 33)	452,500	452,500
Balance at 30 June 2010	693,484	693,484
Additions	1,123,484	1,123,484
Additions through business combinations (note 33)	210,324	210,324
Impairment of assets	(35,777)	(35,777)
Balance at 30 June 2011	1,991,515	1,991,515



Note 18: Non-current assets – deferred tax

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss:

	CONSOLIDATED	
	2011	2010
	\$	\$
Tax losses	516,883	168,386
Impairment of receivables	98,451	98,451
Accrued expenses	19,811	11,700
Impairment loss of available-for-sale financial assets	114,000	114,000
Impairment loss of other financial assets	60,000	–
Unrealised gain on investment property	(101,407)	(101,407)
Unrealised loss on financial assets at fair value through profit or loss	160,796	229,449
	868,534	520,579

Amounts recognised in equity:

Unrealised gain on available-for-sale financial assets	45,000	(45,000)
	45,000	(45,000)

Deferred tax asset	913,534	475,579
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Movements:

Opening balance	475,579	298,000
Credited to profit or loss (note 8)	392,955	222,579
Credited/(charged) to equity	45,000	(45,000)
Closing balance	913,534	475,579

Note 19: Current liabilities – trade and other payables

Trade payables	152,207	89,758
Accrued expenses	246,776	39,000
Other payables	93,771	53,776
	492,754	182,534

Refer to note 26 for detailed information on financial instruments.

Note 20: Current liabilities – borrowings

Advance from shareholder in controlled entity	353,394	49,250
Bank loans	593,497	–
	946,891	49,250

Total secured liabilities

The total secured current liabilities are as follows:

Bank loans	593,497	–
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Assets pledged as security

The bank loan is secured by a first mortgage over the consolidated entity's property at 67 Yanko Road, West Pymble, New South Wales.

The carrying amounts of assets pledged as security for current borrowings are:

Property at 67 Yanko Road, West Pymble	922,200	–
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Note 21: Equity – contributed

Ordinary shares – fully paid

CONSOLIDATED			
2011	2010	2011	2010
Shares	Shares	\$	\$
145,723,100	132,780,866	20,928,726	20,345,098

Movements in ordinary share capital

	Date	No of shares	Issue Price	\$
Balance	1 July 2009	125,931,551		19,845,098
Issue of shares	30 November 2009	6,849,315	\$0.073	500,000
Balance	30 June 2010	132,780,866		20,345,098
Issue of shares	2 August 2010	2,378,378	\$0.043	101,545
Issue of shares	29 November 2010	9,878,378	\$0.043	421,758
Adjustment	17 May 2011	25,478		–
Issue of shares	7 June 2011	660,000	\$0.073	60,325
Balance	30 June 2011	145,723,100		20,928,726

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.



Note 22: Equity – reserves

	CONSOLIDATED	
	2011	2010
	\$	\$
Available-for-sale reserve	–	105,000
Capital profits reserve	204,828	204,828
Share-based payments reserve	404,944	504,233
	609,772	814,061

	CONSOLIDATED			
	Available-for-sale	Capital profits	Share-based payments	Total
	\$	\$	\$	\$
Balance at 1 July 2009	–	284,828	332,858	617,686
Acquisition of minority interest	–	(80,000)	–	(80,000)
Options granted during the year	–	–	171,375	171,375
Gain on revaluation of available-for-sale financial assets, net of tax	105,000	–	–	105,000
Balance at 30 June 2010	105,000	204,828	504,233	814,061
Transfer of options to shares	–	–	(137,432)	(137,432)
Issue of options	–	–	38,143	38,143
Impairment of available-for-sale financial assets	(105,000)	–	–	(105,000)
Balance at 30 June 2011	–	204,828	404,944	609,772

Available-for-sale reserve

The available-for-sale reserve represents accumulated gains and losses arising on the revaluation of available-for-sale assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Capital profits reserve

The capital profits reserve arose historically and is distributable to the extent that it exceeds accumulated losses.

Share-based payments reserve

The share based payments reserve is used to recognise the expense of the fair value of options issued but not exercised.

Note 23: Equity – accumulated losses

	CONSOLIDATED	
	2011	2010
	\$	\$
Accumulated losses at the beginning of the financial year	(8,927,687)	(8,165,022)
Loss after income tax benefit for the year	(1,936,326)	(762,665)
Accumulated losses at the end of the financial year	(10,864,013)	(8,927,687)



CONSOLIDATED	
2011	2010
\$	\$
1,803	107,486

Note 24: Equity – non-controlling interest

Retained profits

Note 25: Equity – dividends

There were no dividends paid or declared during the current or previous financial year.

Note 26: Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the directors under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Board identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

Market risk

Foreign currency risk

The consolidated entity is not exposed to significant foreign currency risk.

Price risk

The consolidated entity is exposed to equity securities price risk because of the listed investments held, classified as either at fair value through profit or loss, or available-for-sale investments. The consolidated entity is also exposed to price risk in the Australian housing market, due to its ownership of an investment property, although this risk is not significant to the consolidated entity. The consolidated entity does not hedge its price risks.

At 30 June 2011, if equity prices had been 10% higher or lower and all other variables were held constant the consolidated entity's net assets would increase/decrease by \$21,000 (2010: \$52,000) as a result of the change in the value of financial assets held at fair value through profit or loss and available-for-sale investments.

Interest rate risk

The consolidated entity's main interest rate risk arises from cash and cash equivalents.

The sensitivity analyses have been determined based on the exposure to interest rates and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the consolidated entity's net profit and net assets would increase/decrease by \$19,000 (2010: \$31,500).

Credit risk

Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity 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 consolidated entity does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-ratings agencies. The consolidated entity does not have any significant receivables.

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements, and the guarantee provided to an associate detailed in note 29.



Note 26: Financial instruments continued

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and realising its financial assets at fair value through profit or loss, or its available-for-sale investments to meet any forecast cash outflow commitments.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	CONSOLIDATED					Remaining contractual maturities
	Weighted average interest rate	1 year or less	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	
	%	\$	\$	\$	\$	
2011						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	–	152,207	–	–	–	152,207
Other payables	–	93,771	–	–	–	93,771
Advance from shareholder	–	353,394	–	–	–	353,394
<i>Interest-bearing – variable rate</i>						
Bank loans	7.67	639,018	–	–	–	639,018
Total non-derivatives		1,238,390	–	–	–	1,238,390
2010						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	–	89,758	–	–	–	89,758
Other payables	–	53,776	–	–	–	53,776
Advance from shareholder	–	49,250	–	–	–	49,250
Total non-derivatives		192,784	–	–	–	192,784

The cash flows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

Fair value of financial instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)



Note 26: Financial instruments continued

	CONSOLIDATED			
	Level 1	Level 2	Level 3	Level 4
	\$	\$	\$	\$
2011				
Assets				
Financial assets at fair value through profit or loss – marketable securities	209,505	–	–	209,505
Available-for-sale financial assets – unquoted equities	–	102,050	–	102,050
Total assets	209,505	102,050	–	311,555
2010				
Assets				
Financial assets at fair value through profit or loss – marketable securities	738,093	–	–	738,093
Available-for-sale financial assets – unquoted equities	–	600,000	–	600,000
Total assets	738,093	600,000	–	1,338,093

There were no transfers between levels during the financial year.

The financial liabilities are reflected at the amounts due to suppliers in terms of arrangements agreed with these suppliers. The financial assets, being bank deposits and bank accounts, are reflected at agreed contractual value together with interest expected to be received based on contractual documentation.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade 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 instruments.

Note 27: Key management personnel disclosures

Directors

The following persons were directors of Gullewa Limited during the financial year:

Anthony Howland–Rose (appointed on 2 December 2010)	Executive Director and Chairman
David Deitz	Executive Director and Chief Executive Officer
Eddie Lee	Non–Executive Director
David Atkinson	Non–Executive Director

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	CONSOLIDATED	
	2011	2010
	\$	\$
Short-term employee benefits	350,762	233,277
Post-employment benefits	14,715	–
Share-based payments	–	171,375
	365,477	404,652



Note 27: Key management personnel disclosures continued

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at end of the year
	No.	No.	No.	No.	No.
2011					
<i>Ordinary shares</i>					
Anthony Howland-Rose	–	–	12,159,478	–	12,159,478
David Deitz	17,862,137	–	7,748,984	–	25,611,121
Eddie Lee	–	–	3,038,378	–	3,038,378
David Atkinson	–	–	2,378,378	(1,983,100)	395,278
	17,862,137	–	25,325,218	(1,983,100)	41,204,255
2010					
<i>Ordinary shares</i>					
David Deitz	17,862,137	–	–	–	17,862,137
	17,862,137	–	–	–	17,862,137

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at end of the year
	No.	No.	No.	No.	No.
2011					
<i>Ordinary shares over options</i>					
David Deitz	18,700,000	–	(7,500,000)	–	11,200,000
Eddie Lee	5,018,378	–	(3,038,378)	–	1,980,000
David Atkinson	5,018,378	–	(2,378,378)	–	2,640,000
	28,736,756	–	(12,916,756)	–	15,820,000

	Vested and exercisable	Vested and unexercisable	Vested at end of the year
	No.	No.	No.
2011			
<i>Options over ordinary shares</i>			
David Deitz	11,200,000	–	11,200,000
Eddie Lee	1,980,000	–	1,980,000
David Atkinson	2,640,000	–	2,640,000
	15,820,000	–	15,820,000



Note 29: Contingent liabilities

Gullewa Limited has given a guarantee in respect of a bank loan of its associate company amounting to \$1,050,000 (2010: \$1,050,000).

Bank guarantee of a secured mortgage to Our Field Pty Limited

CONSOLIDATED	
2011	2010
\$	\$
1,050,000	1,050,000

The bank loan due by Our Field Pty Limited to a bank was repaid in full on 8 July 2011.

Note 30: Commitments for expenditure

The consolidated entity has no commitments for expenditure at 30 June 2011 or 30 June 2010.

Note 31: Related party transactions

Parent entity

Gullewa Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Associates

Interests in associates are set out in note 35.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

Interresources Pty Limited, a company wholly-owned by David Deitz, a director of the parent entity, carried out geological surveys for the parent entity during the year.

Wages paid to Mendel Deitz, son of David Deitz, a director of the parent entity.

CONSOLIDATED	
2011	2010
\$	\$
197,047	150,000
3,333	–
22,618	3,811

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Current receivables:

Loan to Interresources Pty Limited, a company wholly-owned by David Deitz, a director of the parent entity.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.



	PARENT	
	2011	2010
	\$	\$
Note 32: Parent entity information		
Set out below is the supplementary information about the parent entity.		
Statement of comprehensive income		
Loss after income tax	(1,042,344)	(1,099,305)
Total comprehensive income	(1,042,344)	(1,099,305)
Statement of financial position		
Total current assets	5,306,801	5,766,816
Total assets	7,029,950	7,519,983
Total current liabilities	169,428	101,455
Total liabilities	169,428	101,455
Equity		
Contributed equity	20,928,725	20,345,098
Reserves	689,772	789,061
Accumulated losses	(14,757,975)	(13,715,631)
Total equity	6,860,522	7,418,528
Contingent liabilities		
Guarantees entered into by the parent entity in relation to the debts of its associate are:		
Bank guarantees	1,050,000	1,050,000

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2011 and 30 June 2010.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment.
- Investments in associates are accounted for at cost, less any impairment.



Note 33: Business combinations

Hydromining Coal Australia Pty Limited (comparative period)

On 5 November 2009 Gullewa Limited acquired a further 60% of the ordinary shares of Hydromining Coal Australia Pty Limited for the total consideration transferred of \$80,000. This is a coal exploration business and operates in the exploration and evaluation division of the consolidated entity. The additional shares in Hydromining Coal Australia Pty Limited were acquired to increase the company's investment in coal exploration.

Mineral & Coal Investments Pty Limited (comparative period)

On 30 November 2009 Gullewa Limited acquired 80% of the ordinary shares of Mineral & Coal Investments Pty Limited for the total consideration transferred of \$500,000. This is a coal exploration business and operates in the exploration and evaluation division of the consolidated entity. It was acquired to continue the consolidated entity's coal exploration activities. The acquired business contributed revenues of \$2,813 and loss after tax of \$68,439 to the consolidated entity for the period from 30 November 2009 to 30 June 2010. If the acquisition occurred on 1 July 2009, the full year contribution to profit after tax would have been a loss of \$69,763. The values identified in relation to the acquisition of Mineral & Coal Investments Pty Limited were final as at 30 June 2010.

Details of the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	\$	\$
Trade receivables	15,000	15,000
Plant and equipment	3,889	3,889
Exploration and evaluation	452,500	452,500
Trade payables	(64,131)	(64,131)
Bank overdraft	(4,795)	(4,795)
Bank loans	(39,512)	(39,512)
Net assets acquired	362,951	362,951
Goodwill		210,039
Total purchase consideration		572,990
Representing:		
Gullewa Limited shares issued to vendor		500,000
Non-controlling interest		72,990
		572,990

	CONSOLIDATED	
	2011	2010
	\$	\$
Cash used to acquire business, net of cash acquired:		
Total purchase consideration	–	572,990
Less: shares issued by parent entity as part of consideration	–	(500,000)
Less: non-controlling interest	–	(72,990)
Net cash used	–	–



Note 33: Business combinations continued

Canton Property Pty Limited (comparative period)

On 16 March 2010 Gullewa Limited acquired 60% of the ordinary shares of Canton Property Pty Limited for the total consideration transferred of \$60. This is a real estate agency business and operates in the property development division of the consolidated entity. It was acquired to continue the consolidated entity's property development activities. The acquired business contributed revenues of \$nil and loss after tax of \$12,289 to the consolidated entity for the period from 16 March 2010 to 30 June 2010. If the acquisition occurred on 1 July 2009, the full year contributions would have been revenues of \$nil and loss after tax of \$12,289. The values identified in relation to the acquisition of Canton Property Pty Limited were final as at 30 June 2010.

Moreton Coal Pty Limited

On 14 October 2010 Echidna Coal Pty Limited, a wholly owned subsidiary of Mineral & Coal Investments Pty Limited, acquired 100% of the ordinary shares of Moreton Coal Pty Limited. The purchase price for the shares is a royalty amounting to 4% of the net amount received by the buyer for coal sold.

Details of the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	\$	\$
Other current assets	12,166	12,166
Exploration and evaluation	210,324	210,324
Other loans	(184,380)	–
Net assets acquired	38,110	222,490
Goodwill		–
Acquisition–date fair value of the total consideration transferred		222,490

Note 34: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	EQUITY HOLDING	
		2011	2010
		\$	\$
Rondav Pty Limited	Australia	100.00	100.00
Claymor Resources Pty Limited	Australia	100.00	100.00
Telephony Associates Pty Limited	Australia	82.00	82.00
Gullewa Geothermal Pty Limited	Australia	100.00	100.00
York Corporate Pty Limited	Australia	100.00	100.00
Hydromining Coal Australia Pty Limited	Australia	80.00	80.00
Cauldron Geothermal Pty Limited	Australia	100.00	100.00
Canton Property Pty Limited	Australia	60.00	60.00
Windora Exploration Pty Limited	Australia	100.00	100.00
Goonoo Exploration Pty Limited	Australia	100.00	100.00
Narwonah Pty Limited	Australia	100.00	100.00
New Italy Resources Pty Limited	Australia	100.00	–
Thedal Pty Limited	Australia	100.00	–
Minyan Pty Ltd	Australia	100.00	–
Mummulgum Exploration Pty Ltd	Australia	100.00	–
Brooklyn Bay Pty Limited	Australia	100.00	–
Wymble Pty Limited	Australia	100.00	–
Allegiance Coal Pty Limited	Australia	80.00	–
Mineral & Coal Investments Pty Limited	Australia	80.00	80.00
Echidna Coal Pty Limited	Australia	80.00	–
Moreton Coal Pty Limited	Australia	80.00	–



Note 35: Investments in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates is set out below:

Associate	Principal Activities	CONSOLIDATED	
		Percentage interest	
		2011	2010
		%	%
Our Field Pty Limited *	Property development	50.00	50.00
Central Iron Ore Limited	Mineral extraction	36.10	–

* The shares in Our Field Pty Limited are held by David Deitz (Chief Executive Officer) on behalf of Gullewa Limited.

Information relating to the associates is set out below.

	CONSOLIDATED	
	2011	2010
	\$	\$
Share of assets and liabilities		
Assets (current and non-current) – Our Field Pty Limited	1,365,167	1,208,684
Assets (current and non-current) – Central Iron Ore Limited	2,398,921	–
Total assets	3,764,088	1,208,684
Liabilities (current and non-current) – Our Field Pty Limited	1,057,081	1,041,880
Liabilities (current and non-current) – Central Iron Ore Limited	117,202	–
Total liabilities	1,174,283	1,041,880
Net assets	2,589,805	166,804
Share of revenue, expenses and results		
Revenue – Our Field Pty Limited	(251,676)	69,805
Expenses – Our Field Pty Limited	(107,247)	(48,763)
Revenue – Central Iron Ore Limited	21,846	–
Expenses – Central Iron Ore Limited	(390,334)	–
Profit/(loss) before income tax	(727,411)	21,042

Note 36: Events occurring after the reporting date

On 8 July 2011 the company's 50% subsidiary, Our Field Pty Ltd, completed the settlement of the sale of its property at St Ives.

On 16 August 2011 the Queensland Government issued an announcement suspending new exploration tenures in and around South Queensland, and in and around urban centres across the remainder of the state. Moreton Coal Pty Limited, a 100% subsidiary of Allegiance Coal Limited, holds a mineral development licence that will be impacted by this announcement. Given the recent timing of the announcement and the uncertainty over how this will affect exploration companies, management has not been able to assess the impact on the consolidated entity. Management anticipate further announcements on this issue during the 2012 financial year and will make an assessment of the impact on the consolidated entity at the appropriate time.

On 21 September 2011 the company announced that its 80% subsidiary, Allegiance Coal Limited ('Allegiance Coal'), was seeking to raise \$1,500,000 to \$2,000,000 of pre-Initial Public Offering capital from sophisticated investors. After the raising, the company will hold between 72% to 74% of Allegiance Coal. Further it is expected that an Initial Public Offering will take place later in 2011 or early 2012. The intention is to offer a further 15% to 24% of Allegiance Coal's share capital to raise \$5,000,000 to \$9,000,000.

No other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



	CONSOLIDATED	
	2011	2010
	\$	\$
Note 37:		
Reconciliation of loss after income tax to net cash used in operating activities		
Loss after income tax benefit for the year	(2,042,009)	(747,809)
Adjustments for:		
Depreciation and amortisation	28,935	19,066
Net fair value gain on investment properties	–	(337,523)
Share-based payments	38,143	171,375
Net fair value gain on financial assets at fair value through profit or loss	–	(186,998)
Profit on shares	(103,232)	–
Revaluation of shares	113,293	–
Interest received	(369,235)	(363,704)
Share of (profit)/loss of associates	224,059	(21,042)
Discount on consolidation	(196,259)	–
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	82,097	(220,590)
Increase in income tax refund due	(216,704)	–
Increase in deferred tax assets	(437,955)	(222,579)
Increase/(decrease) in trade and other payables	310,220	(140,653)
Net cash used in operating activities	(2,568,647)	(2,050,457)
Note 38: Earnings per share		
Loss after income tax	(2,042,009)	(747,809)
Non-controlling interest	105,683	(14,856)
Loss after income tax attributable to the owners of Gullewa Limited	(1,936,326)	(762,665)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	140,788,974	129,928,549
Weighted average number of ordinary shares used in calculating diluted earnings per share	140,788,974	129,928,549
	Cents	Cents
Basic earnings per share	(1.380)	(0.590)
Diluted earnings per share	(1.380)	(0.590)

21,295,000 (2010: 28,736,756) options are excluded from the above calculation as they would be antidilutive for the period.



Note 39: Share based payments

Employee option plan

Gullewa Limited has no formal employee option plan. At the discretion of the directors, the directors grant options over ordinary shares in the parent entity to employees of the consolidated entity. The options are issued for nil consideration and are granted with the exercise price, as listed below, payable on exercise of the options. When exercisable, each option is convertible into one ordinary share. Options granted carry no dividend or voting rights.

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/forfeited/other	Balance at end of the year
2011							
11/10/05	30/11/10	\$0.033	12,256,756	–	(12,256,756)	–	–
30/11/06	30/11/11	\$0.073	11,000,000	–	(660,000)	–	10,340,000
08/12/09	30/11/14	\$0.119	5,480,000	–	–	–	5,480,000
07/03/11	06/03/16	\$0.223	–	4,475,000	–	–	4,475,000
16/05/11	15/05/16	\$0.223	–	1,000,000	–	–	1,000,000
			28,736,756	5,475,000	(12,916,756)	–	21,295,000
2010							
11/10/05	30/11/10	\$0.033	12,256,756	–	–	–	12,256,756
30/11/06	30/11/11	\$0.073	11,000,000	–	–	–	11,000,000
08/12/09	30/11/14	\$0.119	–	5,480,000	–	–	5,480,000
			23,256,756	5,480,000	–	–	28,736,756

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.5 years (2010: 2 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at of the year
07/03/11	06/03/16	\$0.180	\$0.223	71.32%	0.00%	4.75%	\$0.0464
16/05/11	15/05/16	\$0.170	\$0.223	71.32%	0.00%	4.75%	\$0.0411

Note 40: Retirement benefits

Superannuation commitments

During the year, the consolidated entity provided employees with access to external defined contribution superannuation plans that provide benefits on retirement, resignation, disability or death.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



David Deitz
Director

27 September 2011

Sydney

Independent Auditor's Report

To the members of Gullewa Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Report on the Financial Report

We have audited the accompanying financial report of Gullewa Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 as set out on pages 26 to 65.

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 consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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.

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 of the financial report that gives a true and fair view, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

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 Gullewa Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited



Opinion

In our opinion:

- (a) the financial report of Gullewa 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 2011 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 consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 20 of the directors' report for the year ended 30 June 2011. 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 Gullewa Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

A large, stylized handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Alfred Nehama".

Alfred Nehama
Partner
Chartered Accountants

Sydney, 27 September 2011

Shareholder Information

Applicable as at 6 September 2011

The shareholder information set out below was applicable as at 6 September 2011.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	189
1,001 to 5,000	428
5,001 to 10,000	292
10,001 to 100,000	530
100,001 and over	140
	1,579
Holding less than a marketable parcel	628

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number held	% of total shares issued
McNeil Nominees Pty Limited	13,638,219	9.36
Mr David Deitz	9,509,896	6.53
Stoligor Pty Ltd	9,333,648	6.41
Mr Anthony Howland-Rose	6,421,233	4.41
Mrs Judith Krasnjanski	4,285,714	2.94
Fezune Pty Ltd <The Reid Family S/F A/C>	4,150,000	2.85
Moshe Ambarchi & Nadine Ambarchi <Buline Superannuation A/C>	4,000,000	2.74
Howlandrose Holdings Pty Limited <Howlandrose Family A/C>	3,893,227	2.67
Whittingham Securities Pty Ltd	3,500,000	2.40
UBS Wealth Management Australia Nominees Pty Ltd	3,482,143	2.39
Mr Eddie Lee	3,038,378	2.09
Mr Sholomo Thaler	2,927,777	2.01
Ashecorp Pty Ltd <MD & DS Moss Super Fund A/C>	2,770,000	1.90
Mr Sholomo Thaler	2,332,084	1.60
Scomac Management Services Pty Ltd	2,300,000	1.58
Mr David Deitz	2,214,022	1.52
Howland Rose Holdings Pty Ltd	1,845,018	1.27
Goldberg Super Pty Ltd <Goldberg Super A/C>	1,600,000	1.10
Mr Kenneth Joseph Hall & Mrs Mary Christine Hall <Hall Super Fund A/C>	1,582,248	1.09
JP Morgan Nominees Australia Limited	1,544,965	1.06
	84,368,572	57.92



Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
	Number held	% of total shares issued
Mr David Deitz (including McNeil Nominees Pty Ltd and Walkaround Pty Ltd)	25,625,677	17.59
Mr Anthony Howland-Rose	12,159,478	8.34

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Schedule of Tenements and Mining Royalties

New South Wales Tenement	Subsidiary	Location	Gullewa Interest	Area (Units)	Tenement Status
GULLEWA LIMITED					
EL 7022 DANDALOO	Claymor Resources P/L	20 km east of Tottenham; 60 km west of Narromine	100%	103	Granted
EL 7259 NEVERTIRE	Claymor Resources P/L	55 km south east of Nyngan; 65 km north west of Narromine	100%	45	Granted
EL 7260 WARREN	Claymor Resources P/L	40 km east of Nyngan	100%	48	Granted
EL 7261 RED HILL	Claymor Resources P/L	62 km east south east of Nyngan; 72 km north north west of Narromine	100%	44	Granted
EL 7778 NARROMINE	Narwonah P/L	20 km north west of Narromine	100%	100	Granted
EL 7779 FARRENDALE	Narwonah P/L	30 km south west of Narromine	100%	100	Granted
EL 7780 BALLIMORE	Windora Exploration P/L	44 km east of Dubbo	100%	100	Granted
EL 7762 TALBRAGAR	Windora Exploration P/L	28 km east north east of Dubbo	100%	100	Granted
EL 7695 WONGARBON	Windora Exploration P/L	10 km east of Dubbo	100%	100	Granted
EL 7781 COMOBELLA	Windora Exploration P/L	45 km south east of Dubbo	100%	26	Granted
EL 7708 WOODENBONG	Mummulgum Exploration P/L	70 km north west of Casino	100%	100	Granted
EL 7709 GORDONBROOK	Mummulgum Exploration P/L	35 km north north west of Grafton	100%	100	Granted
EL 7710 BONALBO	Mummulgum Exploration P/L	30 km west north west of Casino	100%	100	Granted
EL 7716 NEW ITALY	New Italy Resources P/L	35 km south east of Casino	100%	88	Granted

Tasmania Tenement	Subsidiary	Location	Gullewa Interest	Area (km ²)	Tenement Status
SEL 9/2009	Gullewa Geothermal P/L	40 km south of Burnie	100%	3,028	Granted

Queensland Tenement	Subsidiary	Location	Gullewa Interest	Area (Units)	Tenement Status
ALLEGIANCE COAL LIMITED (Gullewa 80%)					
EPC 1926 CONNEMARRA	Mineral & Coal Investments P/L	27 km north west of Springsure	80%	40	Renewal Pending
EPC 1927 BACK CREEK	Mineral & Coal Investments P/L	40 km north east of Miles; 40 km south east of Wandoan	80%	20	Granted
EPC 1298 KILMAIN	Mineral & Coal Investments P/L	43 km east of Springsure	80%	16	Renewal Pending
EPC 1492 TOWNSVILLE	Mineral & Coal Investments P/L	adjacent to Townsville	80%	152	Granted
EPC 1617 TOWNSVILLE EXTENDED	Mineral & Coal Investments P/L	35 km south south east of Townsville	80%	65	Granted
EPC 1631 CALEN SOUTH	Mineral & Coal Investments P/L	30 km west north west of Mackay	80%	52	Granted
EPC 1672 LOCHABER	Mineral & Coal Investments P/L	60 km south of Monto	80%	47	Granted
EPC 1820 BOLDON	Mineral & Coal Investments P/L	25 km west of Mackay	80%	17	Granted
EPC 1874 NORMANBY	Mineral & Coal Investments P/L	40 km south west of Cooktown	80%	86	Granted
EPC 1875 PINETREE	Mineral & Coal Investments P/L	110 km west of Cooktown	80%	217	Granted
EPC 1917 KILMAIN SOUTH	Mineral & Coal Investments P/L	46 km east south east of Springsure	80%	2	Granted

Schedule of Tenements



Queensland Tenement	Subsidiary	Location	Gullewa Interest	Area (Units)	Tenement Status
EPC 2278 CEDAR CREEK	Mineral & Coal Investments P/L	30 km north west of Injune	80%	12	Granted
EPC 2309 MOBS CREEK	Mineral & Coal Investments P/L	27 km east north east of Dalby	80%	28	Granted
MDL 138 MINTOVALE	Moreton Coal P/L	16 km south south west of Boonah; 59 km east north east of Warwick	80%	244.6 Ha	Granted

Western Australia Tenement	Holding Company	Location	CIO Interest	Area (km ²)	Tenement Status
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CENTRAL IRON ORE LIMITED (Gullewa 36.1%)

E30/414 WALLING ROCK	Central West Resources Pty Ltd	85 km west of Menzies	100%	93	Granted
E30/415 PERINVALE S	Central West Resources Pty Ltd	82 km south west of Menzies	100%	93	Granted
P30/1084 P S EXTENSION	Central Iron Ore Limited	98 km north of Leonora	100%	1	Granted
E57/818 PERINVALE N	Central West Resources Pty Ltd	170 km northwest of Leonora	100%	120	Granted
E77/1820 WINDARLING W	Central West Resources Pty Ltd	132 km north of Southern Cross	100%	12	Granted
E77/1737 WINDARLING E	Central West Resources Pty Ltd	57 km west south west of Menzies	100%	42	Granted
E17/1749 DIEMALS N	Central West Resources Pty Ltd	148 km west of Menzies	100%	111	Granted
E77/1757 DIEMALS FAR E	Central West Resources Pty Ltd	133 km west of Menzies	100%	114	Granted
E77/1758 JOHNSON N	Central West Resources Pty Ltd	132 km north of Southern Cross	100%	39	Granted
E77/1840 DIEMALS FAR SE	Central Iron Ore Limited	130 km west of Menzies	100%	27	Pending
E37/882 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	141	Granted
E37/1054 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	33	Pending
E37/1085 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	24	Pending
E37/1086 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	3	Pending
E37/1106 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	123	Pending
M37/30 BRITISH KING	Central Iron Ore Limited	100 km north of Leonora	100%	0.1	Granted
P37/7026 BRITISH KING	Central Iron Ore Limited	100 km north of Leonora	100%	0.1	Granted
M37/421 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	381	Granted
M37/552 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	200	Granted
M37/631 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	776	Granted
M37/632 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	595	Granted
M37/709 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	98	Granted
M37/1045 BARRICK JV	Barrick (Plutonic) Limited	100 km north of Leonora	Earning 51%	90	Granted
P37/7364 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	197	Granted
P37/7365 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	200	Granted
P37/7366 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	113	Granted
P37/7367 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	45	Granted
M24/189 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	218.15	Granted
M24/584 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	110.5	Granted
M24/585 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	104.5	Granted
M24/586 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	130	Granted

Mining Royalties	Interest	JV Partner	Operator
Gullewa Limited	1% Royalty	ATW Venture Australia Pty Ltd (ATW)	ATW

Gullewa's entitlement to a 1% Royalty from ATW Venture Australia Pty Ltd relates to the following tenements, located in Western Australia: L59/50, M59/49, M59/507, M59/68, M59/132, M59/294, M59/335, M59/336, M59/356, M59/391, M59/392, M59/442, M59/522, M59/530, M59/531, L59/35, L59/49, E59/1241 (part) & E59/1242 (part).

Corporate Directory

ABN

30 007 547 480

DIRECTORS

Anthony Howland-Rose *MSc, DIC, FGS, FIMMM, FAusIMM, FAIG, CEng*
(Executive Director and Chairman)

David Deitz *B.Comm, MAusIMM, CPA*
(Executive Director and Chief Executive Officer)

Eddie Lee *BE, BSc, DIP BDG SC*
(Non-Executive Director)

David Atkinson
(Non-Executive Director)

COMPANY SECRETARY

Graham Hurwitz *CA, B.Comm (Hons)*

PRINCIPAL OFFICE

Level 8, 49–51 York Street
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REGISTERED OFFICE

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SHARE REGISTRY

Computershare Investor Services Pty Limited

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45 St Georges Terrace
PERTH WA 6000

AUDITORS

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
SYDNEY NSW 2000

SOLICITORS

Cardinals

Ground Floor
57 Havelock Street
WEST PERTH WA 6872

BANKERS

National Australia Bank

255 George Street
SYDNEY NSW 2000

SECURITY EXCHANGE LISTINGS

Gullewa Limited shares are listed on the Australian Securities Exchange
Home Exchange – Perth
The options in Gullewa Limited are unlisted

ASX CODE

GUL



ACN 007 547 480
ABN 30 007 547 480

Level 8, 49–51 York Street
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