MAMBA MINERALS LIMITED

ABN 34 119 770 142

ANNUAL REPORT 2011

CORPORATE DIRECTORY

DIRECTORS	Gary Castledine (Non-Executive Chairman) Terrence Robert Hyndes (Non-Executive Director) Neville John Bassett (Non-Executive Director)	
SECRETARY	Terrence Robert Hyndes	
REGISTERED & PRINCIPAL OFFICE	Ground Floor, 3 Richardson Street West Perth WA 6005	
	Telephone:	(08) 6389 5700
	Fax:	(08) 9486 1258
	Website:	www.mamba.com.au
	ACN 119 770 142	
AUDITORS	Somes and Cooke 1304 Hay Street West Perth WA 6005	
SHARE REGISTRY	Security Transfer Registrars Pty Ltd Suite 1, Alexandria House 770 Canning Highway Applecross WA 6153	
	Telephone:	(08) 9315 2333
	Fax:	(08) 9315 2333
STOCK EXCHANGE	The Company’s shares are listed on the ASX	
ASX CODE	MAB (Fully paid Ordinary Shares) MABOA (Listed Options)	

REVIEW OF OPERATIONS

During the financial year ending 30 June 2011, a General Meeting of Shareholders of Mamba Mineral Limited ("Mamba" or the "Company") was held on 13 August 2010 resulting in the removal of Mr. Greg Freemantle, Mr. Mark Freemantle and Mr. James Brett as Directors of the Company and the appointment of Mr. Gary Castledine, Mr. Neville Bassett and Mr. Terrence Hyndes as Directors.

The new Board's focus will be on capitalising on opportunities to increase shareholder wealth, including the sourcing of company-making projects to add to the Company's portfolio.

In order to do so, the Board will draw on its expertise in the areas of corporate restructuring, corporate and financial advisory services, mergers and acquisitions, business and strategic planning and operational management to successfully develop Mamba for the benefit of all stakeholders.

The Board of Mamba look forward to strengthening relationships with its shareholders and within the industry to achieve it stated objectives.

MAMBA GOLDFIELDS – ENNUIN

During the year, the Company, via it's wholly owned subsidiary Mamba Goldfields Pty Ltd applied for two exploration licences, collectively known as the Ennuin Project. The two exploration licence applications, E77/1896 of 2 blocks and E77/1897 of 12 blocks are located 28km north and 32km northwest of Bullfinch respectively and are considered prospective for gold.

Published GSWA geology and regional aeromagnetics indicate that E77/1896 is in the region of the highly prospective Archaean Bullfinch Greenstone Belt, which hosts gold mineralisation at Ennuin Gold Mining Centre, 5km south, Golden Valley Mining Centre, 20km south and Bullfinch Gold Mining Centre, 28kms to the south.

The Bullfinch Greenstone Belt is interpreted as the northern extension of the Forrestonia Greenstone Belt that has been a prolific producer of gold and nickel.

E77/1897 lies a few kilometres to the east of the main greenstone belt but regional aeromagnetics suggest a large east-west trending dolerite dyke in the northern part and numerous magnetic high zones interpreted as partially assimilated greenstones within granite

On 6 September (subsequent to year end) both applications for E77/1896 and E77/1897 were granted by the Department of Mines and Petroleum.

MOZAMBIQUE PROJECT

Located in the western extremity of the Manica Province (Mozambique), the project consists of 2 concessions. Chua (755c) and Nhamocuarara (201c) Concessions are within distance of established population supporting local administration and markets. Local infrastructure in the area incorporate regular flights, selected well-formed roads compatible with 30-tonne trucks, bitumen highways and a railway line with an east-west orientation.

The Manica Province is home to an extension of the Archaean Odzi-Mutare Greenstone Belt, which is known to hosts significant gold occurrences. The Chua concession is within close proximity to the active Muhena open cast mine with extensions of the Muhena mineralisation thought to extend into Mamba's concession.

The concessions contain alluvial gravels, which host the potential to take the projects into production.

The Mozambique Project remains under review.

NEW PROJECTS

The Board's focus remains on seeking out 'company making' projects and investment opportunities that have the capacity of adding significant shareholder value.

DIRECTOR'S REPORT

The Director's at any time during or since the end of the year are:

Gary Castledine (Non-Executive Chairman, appointed 13 August 2010)

Mr Castledine has over 14 years experience in stock broking and capital markets. He is founding Director and the head of corporate with Indian Ocean Capital in Perth, Western Australia, a specialist boutique securities dealer and corporate advisory firm.

His wealth of experience has enabled him to gather an extensive suite of clients in a corporate advisory role which has seen him involved in many capital raisings and IPO's across a spectrum of industries. He is currently a Practitioner Member of the Stockbroker Association of Australia (SAA)

As Chairman of Mamba Minerals Ltd, and with extensive contacts throughout Australasia, UK and the USA capital markets, Mr. Castledine is well positioned to lead the Company forward to deliver substantial growth opportunity to shareholders. Mr. Castledine is currently a non-executive Director of Vector Resources Limited.

Mr. Castledine has held no other directorships in listed entities in the past three years.

Terrence Robert Hyndes (Non-Executive Director, appointed 13 August 2010)

Mr Hyndes has a proven track record in leading and managing emerging and growth stage projects, with global experience in Australia, UK, Asia and the US across a range of industries including resources, technology and professional services. He has extensive public market experience including debt and equity capital raising, project acquisition and divestments, business and strategic planning and operational management. Mr Hyndes graduated from the Curtin University of Technology in Western Australia with a Bachelor of Commerce with a double major in Economics and Marketing.

Mr. Hyndes is currently a Director of Astro Resources NL, Non-Executive Director and Company Secretary of Vector Resources Ltd and Non-Executive Director of Charles St Capital PLC.

Neville John Bassett (Non-Executive Director, appointed 13 August 2010)

Mr. Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. He consults to a number of publicly listed companies and private company groups in a diversity of industry sectors such as stockbroking, property and resources. He is a Director or Company Secretary for a number of public and private companies.

Mr. Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions, and includes significant knowledge and exposure to the Australian financial Markets. Mr. Bassett has a wealth of experience in matters pertaining to the Corporations Act, ASX Listing requirements, corporate taxation and finance.

Mr Bassett is currently a director of Vector Resources Ltd, Ram Resources Ltd and Neurodiscovery Ltd. In the past three years he has also been a director of Kairiki Energy Ltd and Modena Resources Ltd.

Gregg Christopher Freemantle (Executive Director, removed 13 August 2010)

James Brabazon Brett (Executive Director, removed 13 August 2010)

Mark David Freemantle (Executive Director, removed 13 August 2010)

Graham Anderson (Company Secretary, resigned 13 August 2010)

DIRECTORS REPORT (Continued)

DIRECTORS' INTERESTS

As at the date of this report the relevant interest of each Director and former Director in the Shares and options of the Group are:

	Shares				Options			
	In own name		In other names		In own name		In other names	
	2011	2010	2011	2010	2011	2010	2011	2010
G Castledine	-	-	6,099,699	2,700,858	-	-	3,705,252	306,411
T Hyndes	-	-	900,000	-	-	-	900,000	-
N Bassett	-	-	3,425,000	1,425,000	-	-	2,000,000	-
G Freemantle	-	4,452,813	-	-	-	742,136	-	-
J Brett	-	4,452,813	-	-	-	742,136	-	-
M Freemantle	-	4,452,813	-	-	-	742,136	-	-

PRINCIPAL ACTIVITY

Mamba's ultimate goal is the discovery and development of mineral deposits.

REVIEW OF OPERATIONS AND RESULTS

The Group made a consolidated loss of $429,793 (2010: 652,003) for the year.

Details of the operations of the Group are set out in the review of operations on page 1.

FINANCIAL POSITION

The total assets of the Group have increased by $593,057 from 30 June 2010 to $937,438 as at 30 June 2011.

DIVIDENDS

No dividend is recommended for the current year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 6 July 2010, the Company announced a Non-Renounceable Rights Issue on the basis of 1 for 1 at 1.6 cents per share to raise approximately $894,000. The Rights Issue was conditionally fully underwritten by Carmichael Capital Pty Ltd. On the 10 August 2010, the underwriter withdrew from the underwriting agreement and subsequently the rights issue was withdrawn and all application funds were refunded.

On the 13 August 2010, a General Meeting of Shareholders was held resulting in the removal of Mr. Greg Freemantle, Mr. Mark Freemantle and Mr. James Brett as directors of the Company and the appointment of Mr. Gary Castledine, Mr. Neville Bassett and Mr. Terrence Hyndes as Directors. Also on the 13 August 2010, Mr Graham Anderson resigned as Company Secretary following the appointment of Mr. Hyndes as Company Secretary.

The Company completed two capital raisings throughout the year. The first was completed on the 7 December 2010 and was a private placement to professional (708 compliant) investors for 55,000,000 fully paid ordinary shares at $0.015 each with a free attaching listed option (exercisable at $0.05 and expiring on 30 June 2013) to raise $825,000. The second capital raising was completed on 20 May 2011 and was a private placement to professional (708 compliant) investors for 7,500,000 fully paid ordinary shares at $0.03 each with a free attaching listed option (exercisable at $0.05 and expiring on 30 June 2013) to raise $225,000.

DIRECTORS REPORT (Continued)

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 July 2011, the Company held a General Meeting of Shareholders to seek shareholder approval to;

- Ratify the 7.5million fully paid ordinary shares and 7.5million Listed options ($0.05, expiry 30 June 2013) issued on the 20 May 2011.
- pre-approve the issue of 12.5million fully paid ordinary shares and 12.5million Listed Options ($0.05, expiry 30 June 2013)
- pre-approve the issue of 20million Listed Options ($0.05, expiry 30 June 2013)

All resolutions were approved.

On the 19 July the pre-approved Shares and Options were issued to Professional (708) Investors raising $475,000.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group have been set out in the Review of Operations. Further information on the likely developments and expected results of operations of the Group has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

.

	Number Eligible to Attend	Number Attended
G Castledine (appointed 13 August 2010)	6	6
T Hyndes (appointed 13 August 2010)	6	6
N Bassett (appointed 13 August 2010)	6	6
G Freemantle (removed 13 August 2010)	-	-
J Brett (removed 13 August 2010)	-	-
M Freemantle (removed 13 August 2010)	-	-

AUDIT COMMITTEE

The Group has established an Audit Committee that comprises the full Board of the Group.

ENVIRONMENTAL ISSUES

The Group's policy is to comply with all relevant legislation and the best practice conventions in respect of its exploration and mining activities on the tenements it holds.

REMUNERATION REPORT – AUDITED

This report outlines the remuneration arrangements in place for Directors and Executives of the Group.

Directors' Remuneration Policy

(a) The policy of the Group is to pay remuneration of Directors and Executives in cash and in amounts in line with employment market conditions relevant in the mining industry. Minor amounts of employee fringe benefits in the form of employee meals and entertainment are provided as part of the executives' way of conducting business.

DIRECTORS REPORT (Continued)

(b) The Groups performance, and hence that of its directors and Executives, is measured in terms of a combination of Group share price growth, cash raised, exploration carried out and farm in expenditure attracted.

Details of Remuneration

Directors' and highest paid Executives remuneration for the year ended 30 June 2011

	SHORT-TERM EMPLOYEE BENEFITS			**POST EMPLOYMENT BENEFITS**		**SHARE BASED**		**TOTAL**
	Salary, Fees & Superannuation	Other Services	Non-Monetary	Superannuation	Retirement Benefits	Options	Other Benefits	$
Directors								
Gary Castledine - Non-Executive Director (appointed 13 August 2010)								
2011	**31,839**	**-**	**-**	**-**	**-**	**-**	**-**	**31,839**
2010	-	-	-	-	-	-	-	-
T Robert Hyndes - Non-Executive Director and Company Secretary (appointed 13 August 2010)								
2011	**31,839**	**-**	**-**	**-**	**-**	**-**	**-**	**31,839**
2010	-	-	-	-	-	-	-	-
Neville Bassett - Non-Executive Director (appointed 13 August 2010)								
2011	**31,839**	**-**	**-**	**-**	**-**	**-**	**-**	**31,839**
2010	-	-	-	-	-	-	-	-
Gregg Freemantle - Chairman & Non-Executive Director (removed 13 August 2010)								
2011	**4,167**	**-**	**-**	**-**	**-**	**-**	**-**	**4,167**
2010	25,000	-	-	-	-	-	-	25,000
James Brett - Executive Director (removed 13 August 2010)								
2011	**44,443**	**-**	**-**	**4,000**	**-**	**-**	**-**	**48,443**
2010	131,250	-	-	11,812	-	-	-	143,062
Mark Freemantle - Executive Director (removed 13 August 2010)								
2011	**44,443**	**-**	**-**	**4,000**	**-**	**-**	**-**	**48,443**
2010	131,250	-	-	11,812	-	-	-	143,062
Graham Anderson - Company Secretary (resigned 13 August 2010)								
2011	**11,500**	**-**	**-**	**-**	**-**	**-**	**-**	**11,500**
2010	52,000	-	-	-	-	-	-	52,000
Total Remuneration								
2011	**200,070**	**-**	**-**	**8,000**	**-**	**-**	**-**	**208,070**
2010	339,500	-	-	23,624	-	-	-	363,124

Mr Hyndes' fees have been paid to Splendour Investments Pty Ltd of which he is the principal.

Mr Bassett's fees have been paid to Mandevilla Pty Ltd of which he is the principal.

SHARE OPTIONS

Options granted to Directors and Officers on the Group

No options have been granted over unissued shares of the Group to Directors or Executives as part of their remuneration.

End of Audited section

DIRECTORS REPORT (Continued)

INDEMNIFICATION

There are indemnities for Directors and insurances in regard to their positions.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year Somes & Cooke, the Group's Auditor, did not perform any other services in addition to their statutory duties. The remuneration for these services is disclosed in Note 19.

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 8 of the annual report.

Signed in accordance with a resolution of the Directors

Gary Castledine, Chairman

Perth, Western Australia

28 September 2011

DIRECTORS' DECLARATION

1) In the opinion of the Directors:

   (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

   - giving a true and fair view of the group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   - complying with Australian Accounting Standards and the Corporations Act 2001.

   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

   (c) the audited remuneration disclosure set out in the Remuneration Report of the Director's Report for the year ended 30 June 2011 complies with section 300A of the Corporations Act 2001.

2) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

3) The group has included in the notes to the financial statements a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Gary Castledine, Chairman

Perth, Western Australia

28 September 2011

1304 Hay Street
West Perth WA 6005
PO Box 709 West Perth WA 6872
Tel: (08) 9426 4500
Fax: (08) 9481 5645
admin@somesandcooke.com.au
www.somesandcooke.com.au
ABN: 76 668 377 984

SomesandCooke

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Mamba Minerals Limited

As auditor for the audit of Mamba Minerals Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

Somes & Cooke

Kevin Somes
Perth
28 September 2011

1304 Hay Street
West Perth WA 6005
PO Box 709 West Perth WA 6872
Tel: (08) 9426 4500
Fax: (08) 9481 5645
admin@somesandcooke.com.au
www.somesandcooke.com.au
ABN: 76 668 377 984

SomesandCooke

Independent Auditor's Report
To the members of Mamba Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Mamba Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on 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 about 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mamba Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Mamba Minerals 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 financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 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 in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Mamba Minerals Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Somes and Cooke

Somes and Cooke

K Somes

Kevin Somes
28 September 2011
Perth

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
Interest received	2	16,335	7,798
Exploration expenses		(39,839)	(316,963)
Occupancy expenses		(26,315)	(15,160)
Administration expenses	3	(379,572)	(259,842)
Provision for non-recovery of loan		-	(67,836)
Foreign exchange losses		(402)	-
(Loss) from ordinary activities before related income tax expense		(429,793)	(652,003)
Income tax attributable to operating loss	4	-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the year		(429,793)	(652,003)
Earnings per share			
Basic (cents per share)	15	(0.4887)	(1.52)
Diluted (cents per share)	15	(0.4887)	(1.52)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 $	2010 $
Current Assets			
Cash and cash equivalents	5	897,901	311,827
Trade and other receivables	6	16,950	12,826
Total Current Assets		914,851	324,653
Non-Current Assets			
Plant and equipment	7	9,562	19,728
Capitalised tenement acquisition costs	8	-	-
Exploration and evaluation expenditure		13,025	-
Total Non-Current Assets		22,587	19,728
Total Assets		937,438	344,381
Current Liabilities			
Trade and other payables	9	110,510	16,715
Provisions	10	-	74,124
Total Current Liabilities		110,510	90,839
Total Liabilities		110,510	90,839
Net Assets		826,928	253,542
Equity			
Issued capital	11	6,436,752	5,433,573
Accumulated losses	12	(5,609,824)	(5,180,031)
Total Equity		826,928	253,542

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Operating activities			
Interest received		16,335	7,798
Payments to suppliers and employees		(510,441)	(651,881)
Net cash flows (used in) operating activities		(494,106)	(644,083)
Financing activities			
Proceeds from issue of shares and share applications	9, 11	1,127,001	560,472
Payment for cost of share issue		(46,821)	(24,537)
Net cash flows from financing activities		1,080,180	535,935
Net increase / (decrease) in cash held		586,074	(108,148)
Cash at beginning of year		311,827	419,975
Cash at the end of the year	5	897,901	311,827

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Issued Capital	Accumulated Losses	Total Equity
		$	$	$
Balance at 1 July 2009		4,897,638	(4,528,028)	369,610
Total comprehensive loss		-	(652,003)	(652,003)
Issue of share capital		560,472	-	560,472
Capital raising costs		(24,537)	-	(24,537)
Balance at 30 June 2010	11	5,433,573	(5,180,031)	253,542
Balance at 1 July 2010		5,433,573	(5,180,031)	253,542
Total comprehensive loss		-	(429,793)	(429,793)
Issue of share capital		1,050,000	-	1,050,000
Capital raising costs		(46,821)	-	(46,821)
Balance at 30 June 2011	11	6,436,752	(5,609,824)	826,928

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

CORPORATE INFORMATION

The consolidated financial statements of Mamba Minerals Ltd and controlled entities (the Group) for the year ended 30 June 2011 were approved and authorised for issue in accordance with a resolution of the Directors on 28 September 2011.

Shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange, limit the Company.

The nature of the operations and principal activities of the Group are described in the Directors Report.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of Australian Accounting Standards Board and the *Corporations Act 2001. C*ompliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs.

Material accounting policies adopted in the preparations of this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern

The directors have prepared the financial statements of the Group on the going concern basis. In arriving at this position, the directors have considered the amount of cash on hand as at 28 September 2011 of $1,224,129 and the Group's planned activities and expenditure forecasts. Subsequent to year-end, the Group has issued shares and options to raise an additional $475,000 – see note 23.

Change in Accounting Policy

The Group changed its accounting policy relating to exploration and development expenditure. The accounting policy for the year ended 30 June 2011 is disclosed at '(d)' below. The change resulted in the group capitalising $13,025 of tenement expenditure.

Accounting policies

(a) Basis on Consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2011. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where realised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Plant and Equipment

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

Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Plant & Equipment	20 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the retained earnings.

Exploration and Development Expenditure

Exploration expenditure in relation to each separate area of interest is recognised as an asset in the year in which it is incurred where the following conditions are satisfied:

- Exploration expenditure is expected to be recouped through the successful development and exploration of the area, or alternatively, by its sale; or
- Exploration activities in the area of interest have not, at the balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and, active and significant operations in, or in relation to the area of interest are continuing.

(d) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

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

(e) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Provisions

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

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Revenue

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

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

(i) Borrowing Costs

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

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Goods and Services Tax (GST)

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

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

(l) Impairment of Assets

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

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgements

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

Capital Tenement Acquisition costs

The Groups capitalised capital tenement acquisition costs are reviewed annually by the directors. The Director's in 2009 were of the belief that due to the global financial crisis and the group's financial position, it would be prudent to impair the capital tenement value to nil. The director's agreed that the carrying value should remain nil as at 30 June 2011.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

(p) Segment Reporting

Segments are identified and segment information disclosed on the basis of internal reports that are provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in this financial report have been included. The Company operates in one operating segment, being gold mineral exploration industry, in Australia and Mozambique.

(q) Changes in Accounting Policies

The Group has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards' Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2010:

- Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – AASB 2009-5: The amendment requires that leases are classified as finance or operating by applying the general principles of AASB 117. The Group has assessed that none of its leases require reclassification.
- Improvements to IFRS – AASB 2010-03: Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The 2010 improvements amend certain provisions of AASB 3, clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments. The 2010 improvements did not have a material impact on the Group's financial statements.

An overview of standards, amendments and interpretations to IFRSs and AASBs issued but not effective is given in note 'r' below.

(r) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The new standards and interpretations are not expected to have a material impact on the Group's financial statements.

	2011 $	2010 $
NOTE 2. REVENUES		
Interest Received	16,335	7,798
	16,335	7,798
NOTE 3. EXPENSES		
Administration expenses:		
Employee Benefits	-	(24,708)
Depreciation	(9,831)	(10,713)
Other administration expenses	(369,741)	(224,421)
Total administration expenses	(379,572)	(259,842)

NOTE 4. INCOME TAX EXPENSE

A reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2011	2010
Accounting loss before income tax	(429,793)	(652,003)
Income tax credit at 30%	128,938	195,600
Capital raising costs	14,046	18,587
Temporary differences	-	(2,866)
Income tax benefits not brought to account	(142,984)	(211,321)
Income tax expense	-	-

Deferred tax asset

As at 30 June 2011, the consolidated entity has estimated tax losses of approximately $1,817,799 (2010: $1,341,185), which may be available to be offset against taxable income in future years. The availability of these losses is subject to satisfying Australian taxation legislative requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial accounts because the directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.

NOTE 5. CASH AND CASH EQUIVALENTS		
Cash at Bank	897,901	311,827
	897,901	311,827
NOTE 6. TRADE AND OTHER RECEIVABLES		
GST Receivable	5,957	3,296
Prepaid Expenses	10,727	5,030
Other Receivables	266	4,500
	16,950	12,826
NOTE 7. PLANT AND EQUIPMENT		
Plant and equipment	50,295	52,984
Less: accumulated depreciation	(40,733)	(33,256)
	9,562	19,728
Movements were as follows:		
Opening balance at beginning of financial year	19,728	30,441
Disposals	(335)	-
Depreciation	(9,831)	(10,713)
Written down balance at end of financial year	9,562	19,728

	2011	**2010**
	$	**$**
NOTE 8. CAPITALISED TENEMENT ACQUISITION COSTS		
Capitalised tenement acquisition **(i)**	2,000,000	2,000,000
Impairment expense	(2,000,000)	(2,000,000)
	-	-

(i) Capitalised tenement acquisition costs relate to the Chua (755c) and Nhamocuarara (201c) concessions in the Manica Province (Mozambique).

NOTE 9. TRADE AND OTHER PAYABLES		
Trade and other payables **(i)**	96,510	4,715
Accruals	14,000	12,000
	110,510	**16,715**
(i) Trade and other payables include $77,001 of share applications money received in advance.		
NOTE 10. PROVISIONS		
Provisions for employee entitlements – annual leave	-	74,124
	-	**74,124**

NOTE 11. ISSUED CAPITAL

Issued Capital		
118,416,674 Fully Paid Ordinary Shares (2010: 55,916,674)	6,436,752	5,433,573
	6,436,752	5,433,573
Movements in ordinary share capital	**No.**	**$**
Opening balance at 1 July 2010	55,916,674	5,433,573
Issue of 55,000,000 ordinary shares at $0.015 in December 2010 **(ii)**	55,000,000	825,000
Issue of 7,500,000 shares at $0.03 in May 2011	7,500,000	225,000
Less capital raising costs	-	(46,821)
Balance at 30 June 2011	118,416,674	6,436,752752

Movements in options over ordinary shares	**No.**	**$**
Opening balance at 1 July 2010 **(i)**	9,333,346	-
Issue of 55,000,000 free attaching options in December 2010 exercisable at $0.05 expiring 30 June 2013 **(ii)**	55,000,000	-
Issue of 7,500,000 free attaching options in May 2011 exercisable at $0.05 expiring 30 June 2013**(iii)**	7,500,000	-
Balance at 30 June 2011	71,833,346	-

(i) 9,333,346 options exercisable at $0.05, expiring 30 June 2013

(ii) In December 2010, the Company issued 55,000,000 fully paid ordinary shares at $0.015 with 55,000,000 free attached options exercisable at $0.05 and expiring on 30 June 2013

(iii) In May 2011, the Company issued 7,500,000 fully paid ordinary shares at $0.03 with 7,500,000 free attached options exercisable at $0.05 and expiring on 30 June 2013.

	2011	**2010**
	$	**$**
NOTE 12. ACCUMULATED LOSSES		
Accumulated losses beginning of year	(5,180,031)	(4,528,028)
Net loss	(429,793)	(652,003)
Accumulated losses at end of year	(5,609,824)	(5,180,031)

NOTE 13: RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 $	2010 $
Operating (loss) after tax	(429,793)	(652,003)
Non-cash items:		
Depreciation and amortisation	9,831	10,713
Loss on sale of fixed assets	335	-
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	(4,124)	4,770
(Increase) / Decrease in capitalised tenement expenditure	(13,025)	-
Increase / (Decrease) in payables, excl. receipts from share application in advance	16,794	(32,271)
Increase / (Decrease) in employee benefits	(74,124)	24,708
Net cash flows (used in) operating activities	(494,106)	(644,083)

NOTE 14. RELATED PARTY DISCLOSURE

(a) Key Management Personnel:

Directors

Gary Castledine	Non-Executive Chairman (appointed 13 August 2010)
Neville Bassett	Non-Executive Director (appointed 13 August 2010)
Terrence Robert Hyndes	Non-Executive Director and Company Secretary (appointed 13 August 2010)
Gregg Freemantle	Non-Executive Director (removed 13 August 2010)
James Brett	Executive Director (removed 13 August 2010)
Mark Freemantle	Executive Director (removed 13 August 2010)
Graham Anderson	Company Secretary (resigned 13 August 2010)

The Company has no other executive personnel.

Summarised Compensation of Key Management Personnel

Summary of Directors and key management personnel compensation in the following categories are as follows:

Short-term employee benefits	200,070	339,500
Post employment benefits	8,000	23,624
	208,070	363,124

Refer to the Remuneration Report in the Director's Report for detailed compensation disclosure on key management personnel.

(b) Key Management Personnel Equity Holdings

Ordinary Shares Held at:	**Balance at 30 June 2010**	**Bal. at date of appointment**	**Additions / (disposals)**	**Bal. at date of resignation**	**Balance at 30 June 2011**
Gary Castledine (i)	N/A	2,700,858	3,398,841	N/A	6,099,699
Neville Bassett (i)	N/A	1,425,000	2,000,000	N/A	3,425,000
Terrence Robert Hyndes (i)	N/A	N/A	900,000	N/A	900,000
Gregg Freemantle	4,452,813	N/A	-	4,452,813	N/A
James Brett	4,452,813	N/A	-	4,452,813	N/A
Mark Freemantle	4,452,813	N/A	-	4,452,813	N/A
Graham Anderson	-	N/A	-	-	N/A
	13,358,439	4,125,858	6,298,841	13,358,439	10,424,699

Options Over Ordinary Shares Held at:	**Balance at 30 June 2010**	**Bal. at date of appointment**	**Additions / (disposals)**	**Bal. at date of resignation**	**Balance at 30 June 2011**
Gary Castledine (i)	N/A	306,411	3,398,841	N/A	3,705,252
Neville Bassett (i)	N/A	-	2,000,000	N/A	2,000,000
Terrence Robert Hyndes (i)	N/A	-	900,000	N/A	900,000
Gregg Freemantle	742,136	N/A	-	742,136	N/A
James Brett	742,136	N/A	-	742,136	N/A
Mark Freemantle	742,136	N/A	-	742,136	N/A
Graham Anderson	-	N/A	-	-	N/A
	2,226,408	306,411	6,298,841	2,226,408	6,605,252

Ordinary Shares Held at:	**Balance at 30 June 2009**	**Additions**	**Transfer of shares held indirectly**	**Balance at 30 June 2010**
Gregg Freemantle	5,572,292	1,484,271	(2,603,750)	4,452,813
James Brett	5,572,292	1,484,271	(2,603,750)	4,452,813
Mark Freemantle	5,572,292	1,484,271	(2,603,750)	4,452,813
Graham Anderson	-	-	-	-
	16,716,876	4,452,813	(7,811,250)	13,358,439

Options Over Ordinary Shares Held at:	**Balance at 30 June 2009**	**Additions**	**Options Expired**	**Balance at 30 June 2010**
Gregg Freemantle	5,572,292	742,136	(5,572,292)	742,136
James Brett	5,572,292	742,136	(5,572,292)	742,136
Mark Freemantle	5,572,292	742,136	(5,572,292)	742,136
Graham Anderson	-	-	-	-
	16,716,876	2,226,408	(16,716,876)	2,226,408

(i) Placement approved by shareholders on 19 November 2010.

(a) Related Party Transactions

Fees of $43,020 were paid to Atlas Partners Pty Ltd, of which Mr Hyndes is the principal, for accounting, secretarial and tenement administration. Atlas Partners Pty Ltd also received $5,261 for rent and office running costs. All transactions were at market rates.

Astro Resources NL, of which Mr Hyndes is a director of, received $12,311 for rent throughout the year. Rent was charged at market rates.

NOTE 15. EARNINGS PER SHARE	**2011 No**	**2010 No**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	87,950,921	42,943,170
Consolidated net loss for the financial year	429,793	652,003

As at 30 June 2011, 71,833,346 options were outstanding. These were not considered to have a dilutive effect on loss from continuing ordinary operations.

NOTE 16. FINANCIAL RISK MANAGEMENT & INSTRUMENTS

Overview

The Group has an exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information and quantitative disclosures about the Group exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and cash and cash equivalents.

Trade and other receivables

As the Group has exploration operations only, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposures to credit risk

The carrying amount of the Group financial assets represents the maximum credit exposure and was as follows at the reporting date:

	2011 $	2010 $
Current financial assets		
Cash and cash equivalents	897,901	311,827
Trade and other receivables	16,950	12,826
Total financial assets	914,851	324,653

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	Within 1 year $
Consolidated			
2011			
Trade and other payables	110,510	110,510	110,510
2010			
Trade and other payables	16,715	16,715	16,715

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on purchases and bank balances that are denominated in a currency other than the Group's functional currency of Australia dollar (AUD), namely the Mozambican dollar (MZN) and US dollar (USD).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The Group's investment in its controlled entity is not hedged as this currency position is considered to be long term in nature.

Exposure to currency risk

The Group's exposure to foreign currency risk at balance sheet date was as follows (in AUD).

	USD
2011	
Cash and cash equivalents	968
2010	
Cash and cash equivalents	1

C***urrency risk sensitivity analysis***

A 10.00% strengthening of the AUD against the following currencies at 30 June 2011 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

	Equity	Profit or loss
2011		
USD	97	97
2010		
USD	-	-

A 10.00% weakening of AUD against the above currencies at 30 June 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group does not have any external borrowings at statement of financial position date. Hence the board is of the opinion that the Group's exposure to interest rate risk is limited.

At the reporting date the interest rate profile of the Group and Company's interest bearing financial instruments was:

	Carrying amount	
	2011	**2010**
	$	**$**
Fixed rate instruments		
Cash and cash equivalents	-	-
Variable rate instruments		
Cash and cash equivalents	897,901	311,827

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.00% in interest rates at the reporting date would have an immaterial impact on the equity and profit or loss of the Group and Company.

Equity price risk

The Group is not exposed to equity price risk as it has had no equity security investments.

(iv) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio; however there are no external borrowings as at balance date.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. The Group is not subject to externally imposed capital requirements.

(v) Fair value

The fair value of financial assets and liabilities equates to the carrying values shown in the Consolidated Statement of Financial Position.

NOTE 17. SEGMENT INFORMATION

The Group operates in one business segment being mineral exploration. The Group operates in two geographical locations being Australia and Mozambique. As the Group is focused on exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

		2011 $	2010 $
Revenue from external sources		-	-
Reportable segment loss	Mozambique	(39,355)	(384,799)
	Australia	(484)	-
		(39,839)	(384,799)
Reconciliation of reportable segment loss to group loss before tax			
Reportable segment loss		(39,839)	(384,799)
Unallocated interest		16,335	7,798
Unallocated corporate expense		(406,289)	(275,002)
Loss before tax		**(429,793)**	**(652,003)**
Reportable segment assets			
	Australia	927,876	324,653
	Mozambique	9,562	19,728
		937,438	**344,381**

Basis of accounting for purposes of reporting by operating segments

1. Accounting Policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

2. Inter-segment transaction

Corporate charges are allocated to reporting segments based on an estimation of likely consumption of certain head office expenditure that should be used in assessing segment performance.

3. Segment Assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

NOTE 18. CONTINGENT LIABILITIES

The Directors are of the option that there are no contingent liabilities as at 30 June 2011.

	2011 $	2010 $
NOTE 19. AUDITOR'S REMUNERATION		
Audit services	22,000	22,400
Other professional services	-	-
Total Auditor's Remuneration	22,000	22,400
Remuneration of other auditors of subsidiaries for:		
Audit services	-	-
Other professional services	-	1,679
Total Other Auditors' Remuneration	-	1,679

NOTE 20. OPERATING COMMITMENTS

Joint Venture Sale Agreement of Mining Concessions 201C and 755C, Manica, Mozambique

On 28 January 2010, Mamba Minerals Ltd and its wholly owned subsidiary, Mambas Minerais Limitada ("Mambas") entered into an acquisition agreement with Ergoflex 165cc ("Ergoflex"), whereby Ergoflex was to source and provide plant and equipment to commence mining operations and was to acquire 100% of 201C and 755C Mining Concessions for a total consideration of US$2million over a 24 month period. To date, work commitments and payments required under the Joint Venture/Sale Agreement have not been made and it is considered highly unlikely that the acquisition will proceed on the above terms. It is important to note that until the consideration was paid in full Mambas retains sole title and rights. Additionally it has been confirmed during the year that Mambas retains title to 201C and 755C Mining Concessions.

A review of the Mozambique operations and negotiations in country are ongoing in relation to the divestment of the concessions.

The directors are of the opinion that the group has sufficient funds to continue its review and negotiations to seek a realisable event from its Mozambique assets.

Operating lease commitments

The property lease is on a short-term basis, payable monthly in advance with a month term of notice. The lease is reviewed on an annual basis.

NOTE 21. CONTROLLED ENTITIES

Mamba GoldFields Pty Ltd

Country of Incorporation: Australia
Percentage Owned: 100%

Mambas Minerais Limitada

Country of Incorporation: Mozambique
Percentage Owned: 97.5%

The remaining 2.5% is held by Mozambique residents.

	2011 $	2010 $
NOTE 22. PARENT ENTITY INFORMATION		
Current assets	922,203	316,858
Total Assets	922,203	317,467
Current liabilities	110,512	83,045
Total liabilities	110,512	83,045
Net assets	811,691	234,422
Issued capital	6,436,752	5,433,573
Accumulated losses	(5,625,061)	(5,199,151)
Option reserve	-	-
Total Equity	811,691	234,422
Loss of parent entity	(396,638)	(639,896)
Other comprehensive income	-	-
Total comprehensive loss of the parent entity	(396,638)	(639,896)

NOTE 23. EVENTS SUBSEQUENT TO BALANCE DATE

Projects

On 6 September 2011, tenement applications E77/1896 and E77/1897 were granted by the Department of Mines and Petroleum.

Capital

On 11 July 2011, the Company held a General Meeting of Shareholders to seek shareholder approval to;

- Ratify the 7.5million fully paid ordinary shares and 7.5million Listed options ($0.05, expiry 30 June 2013) issued on the 20 May.
- Pre-approve the issue of 12.5million fully paid ordinary shares and 12.5million Listed Options ($0.05, expiry 30 June 2013)
- Pre-approve the issue of 20million Listed Options ($0.05, expiry 30 June 2013)

All resolutions were approved.

On 19 July 2011, the Company completed two placements. The first placement was a private placement for 12,500,000 fully paid ordinary shares at $0.03 each with a free attaching listed option (exercisable at $0.05 and expiring on 30 June 2013) raising $375,000. The second placement was for 20,000,000 listed options (exercisable at $0.05 and expiring on 30 June 2013) raising $100,000.

STOCK EXCHANGE INFORMATION

The additional information set out below relates to shares and options as at 27 September 2011

DISTRIBUTION OF EQUITY SECURITY HOLDERS

Size of Holding	Ordinary Shares	Listed Options
1 to 1,000	7	7
1,001 to 5,000	87	87
5,001 to 10,000	26	26
10,001 to 100,000	30	30
100,000 and over	72	72
	222	222

ORDINARY SHARES

SUBSTANTIAL SHARE HOLDERS

Name	Ordinary Shares	% of Issued Capital
Josephine Kathleen Patoir	10,762,500	10.32
Bluebase Pty Ltd	10,712,500	10.27
Barque Investments Pty Ltd	7,370,986	7.06
GAB S/F Pty Ltd	5,783,333	5.54

VOTING RIGHTS

All ordinary shares issued by the Company carry one vote per share without restriction.

TWENTY LARGEST SHAREHOLDERS

	Name of Shareholder	No of Shares	%
1.	Josephine Kathleen Patoir	10,762,500	10.32
2.	Bluebase Pty Ltd	10,712,500	10.27
3.	Barque Investments Pty Ltd	7,370,986	7.06
4.	GAB S/F Pty Ltd	5,783,333	5.54
5.	Nefco Nom Pty Ltd	5,000,000	4.79
6.	Queensway Inv Pty Ltd	4,385,834	4.20
7.	Zero Nominees Pty Ltd	3,333,334	3.19
8.	Kalgoorlie Mine Mgnt Pty Ltd	2,900,000	2.78
9.	Kapiri Holdings Pty Ltd	2,778,469	2.66
10.	Mychi Le Inv Pty Ltd	2,635,113	2.53
11.	Gavin John Argyle	2,333,333	2.24
12.	Perizia Inv Pty Ltd	2,306,411	2.21
13.	Mandevilla Pty Ltd	2,037,500	1.95
14.	Fleubaix Pty Ltd	2,000,000	1.92
15.	Fleubaix Pty Ltd	2,000,000	1.92
16.	Fionnuala Catherine Edmondson	1,650,000	1.58
17.	TT Nicholls Pty Ltd	1,600,000	1.53
18.	Nicholas McDonald	1,471,667	1.41
19.	Candice Peta Castledine	1,398,841	1.34
20.	Andrew Wilson	1,258,475	1.21
.			
		73,718,296	**70.65**

OPTIONS OVER ORDINARY SHARES

TWENTY LARGEST OPTION HOLDERS

	Name of Shareholder	No of Shares	%
1.	Josephine Kathleen Patoir	10,762,500	10.32
2.	Bluebase Pty Ltd	10,712,500	10.27
3.	Barque Investments Pty Ltd	7,370,986	7.06
4.	GAB S/F Pty Ltd	5,783,333	5.54
5.	Nefco Nom Pty Ltd	5,000,000	4.79
6.	Queensway Inv Pty Ltd	4,385,834	4.20
7.	Zero Nom Pty Ltd	3,333,334	3.19
8.	Kalgoorlie Mine Mgnt Pty Ltd	2,900,000	2.78
9.	Kapiri Holdings Pty Ltd	2,778,469	2.66
10.	Mychi Le Inv pty Ltd	2,635,113	2.53
11.	Gavin John Argyle	2,333,333	2.24
12.	Perizia Inv Pty Ltd	2,306,411	2.21
13.	Mandevilla Pty Ltd	2,370,500	1.95
14.	Fleubaix Pty Ltd	2,000,000	1.92
15.	Fleubaix Pty Ltd	2,000,000	1.92
16.	Fionnuala Catherine Edmondson	1,650,000	1.58
17.	TT Nicholls Pty Ltd	1,600,000	1.53
18.	Nicholas McDonald	1,471,667	1.41
19.	Candice Peta Castledine	1,398,841	1.34
20.	Andrew Wilson	1,258,475	1.21
		73,718,296	**70.65**

SCHEDULE OF TENEMENTS

Lease	**Lease Status**	**Project**	**Holders**
E77/1896	Granted	Ennuin	Mamba Goldfields Pty Ltd
E77/1897	Granted	Ennuin	Mamba Goldfields Pty Ltd
P77/4041	Application	Ennuin	Mamba Goldfields Pty Ltd
P77/4042	Application	Ennuin	Mamba Goldfields Pty Ltd

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Mamba have adhered to the principles of corporate governance. A description of the main corporate governance practices is set out below. Unless otherwise stated, the practices were in place for the entire year.

Board of Directors

The Board of Directors of the Company is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The primary responsibilities of the Board include:

- formulation and approval of strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company's financial statements;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risk and ensuring that such risks are adequately managed;
- the review of performance and remuneration of Executive Directors; and
- the establishment and maintenance of appropriate ethical standards.

Post appointment (13 August 2010), the new board focused on minimising the Company's overheads. Due to the minimal nature of the Company operations, Mamba does not engage full time management personnel and the role of Chief Executive Officer and the associated responsibilities of the operations and administration of the Company is carried out by care of the director, Robert Hyndes at the Direction of the Board. The Company's operational performance is assessed on an ongoing basis by the Board, to ensure that the operation and administration of the Company are being performed in alignment with expectations and risks identified by the Board.

Independent Directors

Under ASX guidelines none of the previous Board (resigned 13 August 2010) was considered to be an independent Director. Mr Mark Freemantle and Mr James Brett were both Executives Directors and shareholders and Mr Gregg Freemantle was a shareholder. The Company appointed a new Board of Directors on 13 August 2010 upon resignation of the previous Board members. In accordance to ASX Guidelines it is considered that all of the Directors of the Company meet the criteria of an Independent Director.

Communication to Market & Shareholders

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

- the Annual Report which is distributed to all shareholders;
- the periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate; and
- the Annual General Meeting ("AGM") and other meetings called to obtain approval for Board action as appropriate.

Board Composition

When the need for a new Director is identified, selection is based on the skills and experience of perspective Directors, having regard to the present and future needs of the Company. Any Director so appointed must then stand for election at the next Annual General Meeting of the Company.

Terms of Appointment as a Director

The constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

Board Committee

The Board has established separate committees for audit, board nomination and remuneration. However, in view of the current size of the Company and the nature of its activities, the committees currently comprise all members of the Board. Therefore effectively audit matters, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions for relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within the Board, appropriate external advice may be taken and received prior to a final decision being made by the Board.

Remuneration

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The current aggregate maximum is $150,000. A Director may be paid fees or other amounts as the Directors may determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

Share Trading

The Board has adopted a Securities Trading Policy, which complies with the requirements of Listing Rule 12.12, which regulates dealings by Directors, officers and employees in securities issued by the Company.

The policy, which is available on the Company's website, includes the Company's closed periods, restrictions on trading that apply to the Company's key management personal, trading that is not subject to the policy, exceptional circumstances in which key management personnel may be permitted to trade during a prohibited period with prior written clearance and the procedure for obtaining written clearance. The policy provides that employees, directors and officers must not enter into transactions or arrangements, which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Board.

Code of Conduct

In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide executives, management and employees in carrying out their duties and responsibilities.

The Company will be reviewing its Corporate Governance Policies, including the implementation of a Diversity Policy, over the coming financial year, and the changes made will be disclosed on the Company's website accordingly.

ASX CORE PRINCIPLES OF COROPORATE GOVERNANCE AND ASX GUIDELINES

ASX Ltd (ASX) has published 8 core principles of corporate governance, which it believes underlie good corporate governance together with guidelines to satisfy those core principles. Under ASX listing rules, listed companies are required to provide a statement in their annual reports outlining the extent to which they have followed these best practice guidelines. In the following table the ASX core principles and guidelines are listed in the left hand column, and the Company's comment/response is listed in the right hand column.

ASX Principle 1: Lay Solid Foundations for Management and Oversight	**Comment/Response by Company**
Companies should establish and disclose the respective roles and responsibilities of board and management	
ASX Recommendations	
1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board is comprised of 3 Non-Executive Directors. The Board has just been recently changed and are currently reviewing the Company's status and activities prior to appointing an Executive Director role.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	There are currently no senior executives employed in the Company. The Company comprises of 3 Non-Executive Directors. The Company uses consultants for geological and company secretarial functions and pays market rates for experienced professionals.
1.3 Companies should provide the information indicated in the Guide to reporting to Principle 1.	Refer comments above.
ASX Principle 2: Structure the Board to add value	**Comment/Response by Company**
Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.	
ASX Recommendations	
2.1 A majority of Board members should be independent Directors	The Board comprises 3 Non-Executive Directors who are all considered to be Independent in accordance to the relevant ASX Guidelines.
2.2 The Chairperson should be an independent Director	The Company's current Non Executive Chairman Mr. Gary Castledine is considered an Independent Director.
2.3 The roles of Chairperson and chief executive officer should not be exercised by the same individual	As stated above the Company operates with a Non-Executive Chairman and 2 non-Executive Directors. One of the Non-executives fulfils the role of chief executive officer.

2.4 The board should establish a nomination committee	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The board as a whole undertakes the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board. The Board acknowledges this does not comply with recommendation 2.4 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of a nomination committee will be reviewed by the Board and implemented if appropriate.
2.5 Companies should disclose the process for evaluation the performance of the board, its committees and individual directors	Refer comments above.
2.6 Companies should provide the information in the guide to reporting on Principle 2	Refer comments above.
ASX Principle 3: Promote ethical and responsible decision-making	**Comment/Response by Company**
Companies should actively promote ethical and responsible decision-making.	
ASX Recommendations	
3.1 Companies should establish a code of conduct and disclosure the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide Executives, management and employees in carrying out their duties and responsibilities. The Board has adopted a Board Code of Conduct which is available on the Company's website.
3.2 Companies should establish a policy concerning trading in company securities by Directors, senior Executives and employees, and disclose the policy or a summary of that policy	The Board has adopted a Share Trading Policy which is available on the Company's website.
3.3 Companies should provide the information in the guide to reporting on Principle 3.	Refer comments above
ASX Principle 4: Safeguard integrity in financial reporting	**Comment/Response by Company**
Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.	
ASX Recommendations	
4.1 The Board should establish an audit committee	The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, identification and management of risk and the review of the operation of the internal control systems.

	The Board acknowledges this does not comply with recommendation 4.1 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of an audit committee will be reviewed by the board and implemented if appropriate. The Non-Executive Directors and Company Secretary are required to sign a declaration addressing the integrity of the financial statements and maintenance of financial records in accordance with s295A of the Corporations Act.
4.2 The audit committee should be structured so that it: • consists of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	Refer comments above
4.3 The audit committee should have a formal charter	Refer comments above
4.4 Companies should provide the information indicated in the Guide to reporting on principle 4	Refer comments above
ASX Principle 5: Make timely and balanced disclosure *Companies should promote timely and balanced disclosure of all material matters concerning the company.*	**Comment/Response by Company**
ASX Recommendations	
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure those policies or a summary of those policies.	Due to its size and structure the Board is able to meet on a regular basis for both management and Board meetings to ensure compliance with ASX Listing Rule disclosure requirements. The full Board is accountable for ASX compliance.
5.2 Companies should provide the information indicated in the Guide to Reporting on Principle 5.	See comments above.
ASX Principle 6: Respect the rights of shareholders *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*	**Comment/Response by the Company**
ASX Recommendations	
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	The Company keeps shareholders and the market regularly informed through the annual, half-year and quarterly reports. The Company discloses material developments to the ASX and the media as required. All announcements are also available from the Company's website. The Board encourages full participation of shareholders at the AGM to ensure a high level of accountability and identification of the Company's strategies and goals.
6.2 Companies should provide the information in the guide to reporting on Principle 6	Refer comments above
ASX Principle 7: Recognise and manage risk *Companies should establish a sound system of risk oversight and management and internal control.*	**Comment/Response by Company**
ASX Recommendation	
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	In view of the size of the Company and the nature of its activities, the Board has considered that establishing a formally constituted risk oversight and management committee would add little to its effective management. Accordingly risk oversight and management issues and policies are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks	Refer comments above
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	The Chief Executive Office and Chief Financial Officer are required to sign a declaration addressing the integrity of the financial statements and maintenance of financial record in accordance with s295A of the Corporations Act and any other matters that are prescribed by the Regulations for the purpose of Section 295S(2) in relation to the financial year are satisfied.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Refer comments above
ASX Principle 8: Remuneration fairly responsibly		**Comment/Response by Company**
Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to perform is clear		
ASX Recommendations		
8.1	The Board should establish a remuneration committee.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for the directors and executives of the Company. The Board acknowledges this does not comply with the recommendation 8.1 and the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of a remuneration committee will be reviewed by the Board and implemented if appropriate. In addition, all matters of remuneration will continue to be determined in accordance with Corporation Act requirements, especially in respect of related party transactions. That is, no Directors participate in any deliberations regarding his or her own remuneration or related issues.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Non-Executive Directors are either paid a salary or consulting fees to entities which they control. Directors' fees are paid separately to all Directors. The different types of remuneration including fringe benefits, superannuation, consulting fees and directors' fees are all clearly outlined in the annual report.
8.3	Companies should provide the information indicated in the guide to reporting on Principle 8.	See comments above and refer to the Remuneration Report included in the Directors' Report in the Annual Report.