

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

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FOR THE YEAR ENDED 30 JUNE 2008**

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**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2008. The Company was incorporated on 17th November 2006, and therefore the comparative period is for the 7 months ended 30 June 2007.

Directors

The names of directors in office at any time during or since the end of the year are:

Mr Anthony A Trevisan
Mr Simon Trevisan
Mr Oliver Kreuzer
Mr Ian MacKenzie Murchison
Mr Robert James Pett (from 1/02/2008)
Mr. Shane Stone (resigned 4/08/2008)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the entity during the financial period was mining exploration.

There were no changes in the entity's activities during the year.

Operating Results

The loss of the entity for the year to 30 June 2008 after providing for income tax amounted to \$174,660 (period for 7 months 2007: Loss \$113,875).

Review of Operations

During the period the entity has focused on the mining exploration.

Dividends

No dividends have been paid or declared since the start of the financial period.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial period and the date of this report any matter or circumstance that is likely, in the opinion of the Directors, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the Directors

believe, on reasonable grounds, that the inclusion of such information would be speculative and not in the best interests of the entity.

Indemnifying of Directors and Officers

During or since the end of the period the Company has not given an indemnity nor entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

Options

No options were granted during or since the end of the financial year to any of the directors or other officers of the Company. No director or other officer of the Company holds any options over unissued shares of the Company.

Proceedings on Behalf of Company

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

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

Environmental Regulation

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

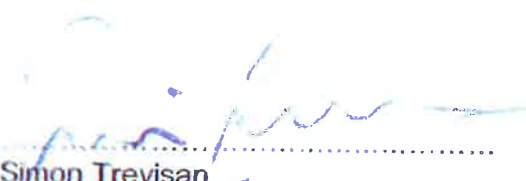
The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services, as set out below, did not compromise the auditor independence of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

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 4.

Signed in accordance with a resolution of the Board of Directors.



.....
Simon Trevisan
Director

Dated this 4th August 2008



BDO Kendalls

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4th August 2008

The Directors
Regalpoint Exploration Pty Ltd
Group Floor (West), St George's Square
225 St Georges Terrace
PERTH WA 6000

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS
OF REGALPOINT EXPLORATION PTY LIMITED**

As lead auditor of Regalpoint Exploration Pty Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

BG McVeigh
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2008


The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that

- 1 the financial statements and notes, as set out on pages 6 to 22, are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2008
 - (c) and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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

Date at Perth this 4th August 2008


.....
Simon Trevisan
Director

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	1 July 2007 to 30 June 2008	17 November 2006 to 30 June 2007
		\$	\$
Revenue		-	-
Other income		1,484	26
Employee expenses		-	-
Depreciation expense		-	-
Borrowing cost expense		(3)	-
Other expenses		<u>(176,141)</u>	<u>(113,901)</u>
Profit before income tax from continuing operation		<u>(174,660)</u>	<u>(113,875)</u>
Income tax expense	2	<u>-</u>	<u>-</u>
Profit attributable to members of Regalpoint Exploration Pty Ltd		<u>(174,660)</u>	<u>(113,875)</u>

The above Income Statement should be read in conjunction with the accompanying notes.

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	1 July 2007 to 30 June 2008 \$	17 November 2006 to 30 June 2007 \$
Current assets			
Cash and cash equivalents	3	35,474	-
Trade and other receivables	4	43,881	14,633
Total current assets		<u>79,355</u>	<u>14,633</u>
Non-current assets			
Exploration and Evaluation Expenditure	7	1,296,373	610,906
Property, plant & equipment	5	23,051	5,772
Total non-current assets		<u>1,319,424</u>	<u>616,678</u>
Total Assets		<u>1,398,779</u>	<u>631,311</u>
Current Liabilities			
Trade and Other Payables	6	257,325	172,634
Short term Borrowings	6	573,390	552,552
Total Current Liabilities		<u>830,715</u>	<u>725,186</u>
Total Liabilities		<u>830,715</u>	<u>725,186</u>
Net assets/(Liabilities)		<u>568,064</u>	<u>(93,875)</u>
Equity			
Issued capital	8	856,599	20,000
Accumulated Losses	9	(288,535)	(113,875)
Total equity/(Deficiency)		<u>568,064</u>	<u>(93,875)</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Share Capital - Ordinary \$	Retained Earnings \$	Total \$
Balance at 17 November 2006	-	-	-
Shares Issued	20,000	-	20,000
Losses for the period	-	(113,875)	(113,875)
Total recognised income and expenditure for the period	-	(113,875)	(113,875)
Balance at 30 June 2007	-	(113,875)	(93,875)
Balance at 1 July 2007	20,000	(113,875)	(93,875)
Shares Issued	836,599	-	836,599
Losses for the year	-	(174,660)	(174,660)
Total recognised income and expenditure for the year	-	(174,660)	(174,660)
Balance at 30 June 2008	856,599	(288,535)	568,064

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

		1 July 2007	17 November 2006
		to	to
	Note	30 June 2008	30 June 2007
		\$	\$
Cash flow from operating activities			
Payments in the course of operations		(118,732)	44,100
Interest received		1,484	26
		(117,248)	44,126
Net cash inflow from operating activities	9	(117,248)	44,126
Cash flow from investing activities			
Equipment		(19,248)	(5,772)
Payments for exploration		(685,467)	(610,906)
		(704,715)	(616,678)
Net cash inflow/(outflow) from investing activities		(704,715)	(616,678)
Cash flow from financing activities			
Proceeds from share issue		-	20,000
Proceeds from borrowings		863,467	546,522
		863,467	566,522
Net cash inflow/(outflow) from financing activities		863,467	566,522
Net increase in cash held		41,504	(6,030)
Cash at the start of the financial year		(6,030)	-
Cash at the end of the financial year	3	35,474	(6,030)

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

I. STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report requirements of the Corporations Act 2001. The directors have determined that the Company is not a reporting entity.

Regalpoint Exploration Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following Accounting Standards and Australian Accounting Interpretations.

AASB 101	Presentation of Financial Statements
AASB 107	Cash Flow Statements
AASB 108	Accounting Policies
AASB 1031	Materiality
AASB 1048	Interpretation and Application of Standards
AASB 110	Post Balance Date Events

No other applicable Accounting Standards, or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Refer Note 18 for changes in accounting policies compared to the previous financial year.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

Income Tax

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

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

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

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

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

Property, plant and equipment

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

Plant & Equipment

Plant and equipment are measured on the cost basis.

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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

**REGALPOINT EXPLORATION PTY LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11 - 33%
Motor vehicles	20%

Revenue recognition

Revenues are recognized at fair value of the consideration received net of the amount of GST.

Inventories

Nil

Acquisitions of assets

Items of property, plant and equipment are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, and depreciated as outlined above.

Employee benefits

Nil

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

Impairment of assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations arise. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

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

Capital Commitments

In the ordinary course of business the company enters into a number of contracts that require future capital expenditure to a significant scale. As the disclosure of these amounts is likely to prejudice the companies operations the individual commitments are not disclosed in this report.

Exploration and Evaluation Expenditure

Exploration and Evaluation costs are recorded as actual costs incurred on the Exploration of Tenements throughout Australia.

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

2. INCOME TAX EXPENSE

	1 July 2007	17 November 2006
	to	to
	30 June 2008	30 June 2007
Income tax expense	-	-

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	2,229	(6,030)
Deposits at call	33,245	-
	35,474	(6,030)
	35,474	(6,030)

4. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade debtors	16,000	-
Other debtors	27,881	14,633
	43,881	14,633
	43,881	14,633

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

6. PROPERTY, PLANT AND EQUIPMENT

	1 July 2007 to 30 June 2008 \$	17 November 2006 to 30 June 2007 \$
PLANT AND EQUIPMENT		
At cost	25,020	5,772
Accumulated depreciation	(1,969)	-
	23,051	5,772
Total	23,051	5,772

Reconciliation of the carrying amounts is set out below.

	Plant & equipment \$	Total \$
Balance at the beginning of year	5,772	5,772
Additions	19,248	-
(Depreciation expense	(1,969)	-
Carrying amount at end of year	23,051	5,772

6. TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors and accruals	257,325	172,634
Payable to shareholders	573,390	546,522
	830,715	719,156

7. EXPLORATION & EVALUATION EXPENDITURE

Opening	610,906	-
Fold during the year	685,467	610,906
Closing	1,296,373	610,906

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

II ISSUED CAPITAL

	1 July 2007 to 30 June 2008	17 November 2006 to 30 June 2007
	\$	\$
20,000 Ordinary shares issued fully paid	20,000	20,000
20,000,000 Ordinary shares issued fully paid on 31st October 2007 to capitalise the shareholder loans at that date	836,599	-
	856,599	20,000

The holders of Ordinary shares are entitled to exercise at any meeting of the Company one vote for each share held. The holders are entitled on a winding up of the Company to receive a distribution of all surplus assets remaining after the repayment of the amount paid up on all shares in the capital of the Company.

The Corporation Regulations 2001 abolished the notion of authorised capital and par value of shares, therefore these have not been disclosed.

III RETAINED EARNINGS

Retained earnings at start of year	(113,875)	-
Net profit attributable to shareholders	(174,660)	(113,875)
Retained earnings at end of year	(288,535)	(113,875)

REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008

10 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit from continuing operations after income tax:

<u>Non cash flows in profit from ordinary activities</u>		
Profit after Income Tax	(174,660)	(113,875)
Depreciation & Amortisation	1,969	-
<u>Changes in assets & liabilities net of purchase & disposal of Subsidiaries.</u>		
(Increase) / Decrease in receivables	(29,248)	(14,633)
Increase / (Decrease) in creditor & accruals	84,655	172,634
Cash flow from Operating Activities	<u>(117,284)</u>	<u>44,126</u>

There was no non-cash financing and investing activities during the financial year.

11 ADDRESS OR REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Company's registered office and principal place of business is at Ground Floor, 225 St George's Terrace, Perth, Western Australia 6000

12 NUMBER OF EMPLOYEES AT REPORTING DATE

The Company had no employees as at the reporting date (2007: 0).

13 COMMITMENTS AND CONTINGENT LIABILITIES

There are no contingent items at reporting date.

The Company has committed to spend a further \$203,864 with Fugro for geophysical surveys.

**REGALPOINT EXPLORATION PTY LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

14. CHANGE IN ACCOUNTING POLICY

The company has not changed any accounting policy during the year. Below are details and impacts of accounting standards issued, not yet effective.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application Date of Standard	Application Date for Company	Impact on Initial Application
AASB 2007-3	Amendments to Australian Accounting Standards [AASB 5, 6, 102, 107, 119, 127, 134, 136, 1023 & 1038]	Non Current Assets	1.1.2009	1.7.2009	There will be no future financial impacts on the financial statements.
AASB 2007-6	Amendments to Australian Accounting Standards [AASB-1, 101, 107, 111, 116 & 138]	First time adoption of AIFRS	1.1.2009	1.7.2009	There will be no future financial impacts on the financial statements.
AASB 2007-8	Amendments to Australian Accounting Standards AASB 101	Presentation of Financial Statements	1.1.2009	1.7.2009	As these changes result in a reduction of Australian-specific disclosures, there will be no impact on amounts recognised in the financial statements.
AASB 2007-10	Amendments to Australian Accounting Standards	Replaces the term financial report with term used in corresponding IFRS	1.1.2009	1.7.2009	As these changes result in a reduction of Australian-specific disclosures, there will be no impact on amounts recognised in the financial statements.
AASB 123	AASB 123	Borrowing Costs The revised AASB 123: Borrowing costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	1.1.2009	1.7.2009	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement dated for capitalisation is on or after 1 January 2009. As such, there will be no impact on prior period financial statements when this standard is adopted.
AASB 2008-2	AASB 7	Financial Instruments: Disclosures	1.1.2009	1.7.2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.

AASB 8	Operating Segments AASB 114				The company will not be adopting these standards and therefore they will have no impact on the preparation of the financial statements.
AASB 3	Business Combinations				
AASB Interpretation 12 (Issued February 2007)	Service Concession Arrangements				
AASB 2008-1 (Issued February 2008)	Share based payments AASB-2				
AASB 2008-3	AASB-1				
AASB 127	Consolidated and Separate Financial Statements				

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REGALPOINT EXPLORATION PTY LTD**

We have audited the accompanying financial report, being a special purpose financial report, of Regalpoint Exploration Pty Ltd, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion the financial report of Regalpoint Exploration Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls
Bill McVeigh

Bill G McVeigh
Director

Dated this 4th day of August 2008
Perth, Western Australia