



# AZIMUTH RESOURCES LTD

ABN : 87 089 531 082

Condensed Consolidated Interim Financial Statements

March 31, 2012

(All amounts are stated in Australian dollars, except as otherwise stated)

(Unaudited)

## **Notice to Reader**

The accompanying unaudited condensed consolidated interim financial statements of Azimuth Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS  
OF OPERATIONS AND COMPREHENSIVE LOSS**

(All amounts are stated in Australian dollars, except as otherwise stated)  
(Unaudited)

	Note	Three Months Ended March 31,		Nine Months Ended March 31,	
		2012 \$	2011 \$	2012 \$	2011 \$
<b>Revenue</b>					
Gold sales		5,461	1,810	13,589	26,714
Interest income		223,301	74,446	491,643	150,939
Profit on sale of non-current assets held for sale		-	-	87,172	-
Foreign exchange gain		-	-	219,236	-
Other income		50,000	29	50,000	70
		<u>278,762</u>	<u>76,285</u>	<u>861,640</u>	<u>177,723</u>
<b>Expenses</b>					
Administration expense		(230,776)	(71,420)	(549,397)	(240,582)
Compliance and regulatory expense		(249,932)	(87,594)	(564,581)	(332,476)
Consultancy expense		(13,287)	(12,018)	(113,027)	(52,566)
Employee benefit expense		(374,724)	(110,004)	(767,749)	(705,912)
Share based payments expense	11	(169,020)	-	(890,070)	(45,378)
Occupancy expense		(51,254)	(42,025)	(202,476)	(114,608)
Public relations		(39,328)	(3,688)	(60,081)	(22,902)
Depreciation and amortisation expense		(11,754)	(8,525)	(27,365)	(35,449)
Exploration expense written off		-	-	(663)	(159,699)
Foreign exchange loss		(184,122)	(85,462)	-	(511,243)
Loss on sale of fixed assets		-	-	(41,071)	(379)
Other expenses		(32,737)	-	(32,737)	-
<b>Net loss for the period</b>		<u>(1,078,172)</u>	<u>(344,451)</u>	<u>(2,387,577)</u>	<u>(2,043,471)</u>
<b>Other comprehensive loss</b>					
Exchange differences on translation of foreign operations		(24,104)	78,080	16,841	(157,550)
<b>Net loss and other comprehensive loss for the period</b>		<u>(1,102,276)</u>	<u>(266,371)</u>	<u>(2,370,736)</u>	<u>(2,201,021)</u>
<b>Basic loss per share (cents per share)</b>	13	(0.28)	(0.12)	(0.66)	(0.74)
<b>Weighted average number of ordinary shares</b>		387,471,420	284,624,239	361,587,148	277,986,131

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the 2011 Annual Report.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(All amounts are stated in Australian dollars, except as otherwise stated)

	Note	March 31, 2012 (Unaudited) \$	June 30, 2011 (Audited) \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	14,414,868	8,022,913
Trade and other receivables	4	346,413	95,296
Inventories	5	310,605	8,328
Prepayments and deposits	6	1,369,939	523,985
		<u>16,441,825</u>	<u>8,650,522</u>
Non-current assets held for sale		322	136,961
		<u>16,442,147</u>	<u>8,787,483</u>
<b>Total current assets</b>			
<b>Non-current assets</b>			
Leasehold improvements		11,569	16,361
Plant and equipment	7	1,865,293	1,262,830
Exploration and evaluation assets	8	39,933,973	26,120,656
		<u>41,810,835</u>	<u>27,399,847</u>
<b>Total non-current assets</b>			
<b>TOTAL ASSETS</b>		<u>58,252,982</u>	<u>36,187,330</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,427,934	544,588
<b>Total current liabilities</b>		<u>1,427,934</u>	<u>544,588</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		5,891,455	5,891,455
<b>Total non-current assets</b>		<u>5,891,455</u>	<u>5,891,455</u>
<b>TOTAL LIABILITIES</b>		<u>7,319,389</u>	<u>6,436,043</u>
<b>NET ASSETS</b>		<u>50,933,593</u>	<u>29,751,287</u>
<b>EQUITY</b>			
Issued capital	9	61,339,875	38,676,903
Reserves		2,073,516	1,860,348
Accumulated losses		(12,479,798)	(10,785,964)
<b>TOTAL EQUITY</b>		<u>50,933,593</u>	<u>29,751,287</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the 2011 Annual Report.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

(All amounts are stated in Australian dollars, except as otherwise stated)

(Unaudited)

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>9 months to March 31, 2011</b>					
<b>Balance at July 1, 2010</b>	27,100,406	1,359,707	149,536	(7,487,641)	21,122,008
Total comprehensive loss for the period	-	-	(157,550)	(2,043,471)	(2,201,021)
Issue of shares, net of costs	11,229,322	-	-	-	11,229,322
Share based payments	-	45,378	-	-	45,378
Expiry/forfeiture of options	-	(48,210)	-	48,210	-
<b>Balance at March 31, 2011</b>	<b>38,329,728</b>	<b>1,356,875</b>	<b>(8,014)</b>	<b>(9,482,902)</b>	<b>30,195,687</b>
<b>9 months to March 31, 2012</b>					
<b>Balance at July 1, 2011</b>	38,676,903	1,989,850	(129,502)	(10,785,964)	29,751,287
Total comprehensive loss for the period	-	-	16,841	(2,387,577)	(2,370,736)
Issue of shares, net of costs	21,172,006	-	-	-	21,172,006
Issue of options	-	890,070	-	-	890,070
Exercise of options	1,490,966	(688,788)	-	688,788	1,490,966
Expiry/forfeiture of options	-	(4,955)	-	4,955	-
<b>Balance at March 31, 2012</b>	<b>61,339,875</b>	<b>2,186,177</b>	<b>(112,661)</b>	<b>(12,479,798)</b>	<b>50,933,593</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and the 2011 Annual Report.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(All amounts are stated in Australian dollars, except as otherwise stated)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	\$	\$	\$	\$
<i>Cash flows from operating activities</i>				
Payments to suppliers and employees	(560,074)	(156,103)	(2,160,325)	(548,726)
Receipts from customers	73,691	48,384	134,412	92,180
Interest received	223,290	74,446	421,242	150,939
Payments for exploration and evaluation	(5,084,918)	(1,305,652)	(11,067,922)	(3,131,308)
<b>Net cash used in operating activities</b>	<b>(5,348,011)</b>	<b>(1,338,925)</b>	<b>(12,672,593)</b>	<b>(3,436,915)</b>
<i>Cash flows from investing activities</i>				
Purchase of plant and equipment	(401,805)	(44,797)	(974,795)	(455,759)
Proceeds from sale of exploration assets	50,000	-	275,000	-
<b>Net cash used in investing activities</b>	<b>(351,805)</b>	<b>(44,797)</b>	<b>(699,795)</b>	<b>(455,759)</b>
<i>Cash flows from financing activities</i>				
Proceeds from share subscriptions	20,000	736,383	20,000	736,383
Capital raising costs	-	(461,303)	(1,007,710)	(461,303)
Proceeds from issue of shares	794,167	10,290,625	20,865,683	11,690,625
<b>Net cash provided by financing activities</b>	<b>814,167</b>	<b>10,565,705</b>	<b>19,877,973</b>	<b>11,965,705</b>
Net increase/(decrease) in cash held	(4,885,649)	9,181,983	6,505,585	8,073,031
Cash and cash equivalents at beginning of period	19,603,627	2,720,850	8,022,913	3,852,477
Foreign exchange differences on cash balances	(303,110)	26,663	(113,630)	3,988
<b>Cash and cash equivalents at end of period</b>	<b>14,414,868</b>	<b>11,929,496</b>	<b>14,414,868</b>	<b>11,929,496</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and the 2011 Annual Report.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**1. NATURE OF OPERATIONS**

Azimuth Resources Limited ("Azimuth" or the "Company") is a public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX"). The Company's registered office is 510A Hay Street Subiaco, Western Australia. The principal business of the Company is the acquisition, exploration and development of mineral property interests located in Guyana, South America.

Azimuth is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company had a net current assets of \$15,014,213 at March 31, 2012. The Company will fund its exploration and operating expenses from its available cash and cash equivalents and gold sales. The Company will continue to advance its exploration work at its mineral properties in Guyana. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

The Company's ability to continue as a going concern on a longer term basis depends on its ability to successfully raise additional financing for further exploration activity and development or to enter into profitable operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 21, 2012, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2012 could result in restatement of these condensed consolidated interim financial statements.

**3. CASH AND CASH EQUIVALENTS**

	<b>Note</b>	<b>March 31, 2012</b>	<b>June 30, 2011</b>
		<b>\$</b>	<b>\$</b>
Cash assets	(a)	3,380,634	1,472,913
Short term deposits	(b)	11,034,234	6,550,000
		<u>14,414,868</u>	<u>8,022,913</u>

(a) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(b) Short term deposits are made for varying periods of between one and six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**3. CASH AND CASH EQUIVALENTS (CONTINUED)**

*Risk exposure*

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalent above.

**4. TRADE AND OTHER RECEIVABLES**

<i>Current</i>	<b>March 31, 2012</b>	<b>June 30, 2011</b>
	\$	\$
Accrued interest receivable	225,865	51,108
GST receivable	71,422	21,363
Other receivables	49,126	22,825
	<b>346,413</b>	<b>95,296</b>

**5. INVENTORIES**

<i>Current</i>		
Stores	121,260	-
Drilling supplies	189,345	8,328
	<b>310,605</b>	<b>8,328</b>

**6. PREPAYMENTS AND DEPOSITS**

Prepayments	1,268,980	523,985
Security deposits	100,959	-
	<b>1,369,939</b>	<b>523,985</b>

**7. PLANT AND EQUIPMENT**

	<b>Plant &amp; Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Work in progress</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at December 31, 2011</b>	1,383,271	2,883	164,397	1,550,551
Additions	420,293	-	55,077	475,370
Disposals	(8,203)	-	-	(8,203)
Depreciation for the period	(119,531)	(173)	-	(119,704)
Effect of foreign exchange	(28,879)	(46)	(3,796)	(32,721)
<b>Balance at March 31, 2012</b>	<b>1,646,951</b>	<b>2,664</b>	<b>215,678</b>	<b>1,865,293</b>
<b>At December 31, 2011</b>				
Cost	1,956,578	4,912	164,397	2,125,887
Accumulated depreciation	(573,307)	(2,029)	-	(575,336)
Net book value	<b>1,383,271</b>	<b>2,883</b>	<b>164,397</b>	<b>1,550,551</b>
<b>At March 31, 2012</b>				
Cost	2,322,640	4,796	216,397	2,543,833
Accumulated depreciation	(676,383)	(2,157)	-	(678,540)
Net book value	<b>1,646,257</b>	<b>2,639</b>	<b>216,397</b>	<b>1,865,293</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**8. EXPLORATION AND EVALUATION ASSETS**

	<b>March 31, 2012</b>	<b>June 30, 2011</b>
	\$	\$
Exploration and evaluation assets, at cost	<u><b>39,933,973</b></u>	<u><b>26,120,656</b></u>
<b>Reconciliation:</b>		
A reconciliation of the carrying amounts of exploration and evaluation assets is set out below:		
Balance at beginning of period	26,120,656	22,472,028
Foreign exchange variations taken to reserves	(142,512)	-
Additions	13,955,829	4,498,783
Refunds	-	(447)
Exploration costs transferred to held for sale assets	-	(161,796)
Write off of exploration expenditure	-	(687,912)
Total deferred exploration and evaluation assets	<u><b>39,933,973</b></u>	<u><b>26,120,656</b></u>

**9. ISSUED CAPITAL**

(a) Fully Paid Ordinary Shares

	<b>March 31, 2012</b>	
	<b>Number of</b>	<b>\$</b>
	<b>Shares</b>	
Fully paid ordinary shares	<u><b>397,850,724</b></u>	<u><b>61,339,875</b></u>
 (b) Movements in fully paid shares on issue		
Balance as at July 1, 2010	259,956,622	27,100,406
Issue of securities, net of transaction costs (i)	74,160,987	11,229,322
<b>Balance as at March 31, 2011</b>	<b>334,117,609</b>	<b>38,329,728</b>
Stock options exercised (ii)	1,000,000	100,000
Issue of securities, net of transaction costs (i)	1,312,500	247,175
<b>Balance as at June 30, 2011</b>	<b>336,430,109</b>	<b>38,676,903</b>
Stock options exercised (ii)	16,301,666	1,490,968
Issue of securities, net of transaction costs (i)	45,118,949	21,172,004
<b>Balance at March 31, 2012</b>	<u><b>397,850,724</b></u>	<u><b>61,339,875</b></u>

- (i) On August 17, 2010, Azimuth issued 20,000,000 shares to Eye Investment Fund at a price of \$0.07 per share for proceeds of \$1,400,000.

On March 14, 2011, Azimuth announced plans to undertake an \$8m placement and \$1.5m Share Purchase Plan ("SPP"). Due to a high level of interest, the Company closed the SPP oversubscribed and during March allotted 40,529,605 shares under the placement and 13,631,382 shares under the SPP, for gross proceeds of \$10,290,588. Following approval by shareholders, directors were allotted 1,312,500 shares under the placement on May 23, 2011 for gross proceeds of \$249,375.

On October 31, 2011, Azimuth announced plans for a \$19.4m capital raising to institutional clients of Blackswan Equities. A total of 42,118,949 shares were issued on November 10, 2011 at \$0.46 each, for gross proceeds of \$19,374,717.

On February 17, 2012 Azimuth issued 3,000,000 shares as consideration for the acquisition of medium scale prospecting permits in Guyana.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**9. ISSUED CAPITAL (CONTINUED)**

(ii) On May 12, 2011 a total of 1,000,000 options were exercised at an exercise price of \$0.10 each.

Throughout the nine months ended 31 March 2012, the following options were exercised:

August 22, 2011 – 360,000 options at \$0.18 each for proceeds of \$64,800  
 December 8, 2011 – 2,400,000 options at \$0.18 each for proceeds of \$432,000  
 December 8, 2011 – 1,000,000 options at \$0.04 each for proceeds of \$40,000  
 February 9, 2012 – 766,666 options at \$0.10 each for proceeds of \$76,667  
 February 17, 2012 – 4,000,000 options at \$0.04 each for proceeds of \$160,000  
 February 20, 2012 – 1,500,000 options at \$0.10 each for proceeds of \$150,000  
 February 20, 2012 – 1,000,000 options at \$0.04 each for proceeds of \$40,000  
 February 21, 2012 – 25,000 options at \$0.10 each for proceeds of \$2,500  
 March 7, 2012 – 50,000 options at \$0.10 each for proceeds of \$5,000  
 March 16, 2012 – 150,000 options at \$0.10 each for proceeds of \$15,000  
 March 26, 2012 – 50,000 options at \$0.10 each for proceeds of \$5,000  
 March 26, 2012 – 5,000,000 options at \$0.10 each for proceeds of \$500,000

(c) As at March 31, 2012, the company had the following options outstanding:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Options Granted</b>	<b>Options Exercisable</b>	<b>Average Remaining Contractual Life (in years)</b>
August 31, 2012	\$0.10	650,000	650,000	0.84
December 31, 2012	\$0.10	1,833,334	1,833,334	1.17
December 31, 2012	\$0.04	6,602,200	6,602,200	1.17
December 31, 2012	\$0.18	7,140,000	7,140,000	1.17
August 13, 2013	\$0.10	325,000	325,000	1.79
August 13, 2014	\$0.10	425,000	-	2.78
April 30, 2014	\$0.371	3,000,000	3,000,000	2.50
May 30, 2014	\$0.42	1,500,000	-	2.58
September 30, 2014	\$0.70	1,500,000	1,500,000	2.92
September 30, 2014	\$0.90	1,500,000	1,500,000	2.92
January 17, 2015	\$0.70	975,000	-	3.21
January 17, 2015	\$0.90	975,000	-	3.21
January 17, 2015	\$0.70	150,000	150,000	3.21
January 17, 2015	\$0.90	150,000	150,000	3.21
		<b>26,725,534</b>	<b>22,850,534</b>	

(d) Options

At March 31, 2012, there were 26,725,534 (June 30, 2011: 37,952,200) un-issued ordinary shares for which options were outstanding.

(e) Option Valuation

Options are valued using the Black Scholes methodology, where required by accounting standards.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**10. SEGMENT INFORMATION**

Azimuth has two reportable segments, being Guyanese exploration and evaluation and 'All Other Segments', which consists of Australian exploration and evaluation and corporate and administrative costs, which are the Company's strategic business units. The strategic business units are monitored separately because they are governed by different regulatory regimes.

Revenues included in 'All Other Segments' relate predominantly to bank interest.

*Information about reportable segment loss, assets and reconciliation to Company loss*

<b>Nine months ending March 31, 2012</b>	<b>Guyana \$</b>	<b>All other segments \$</b>	<b>Consolidated \$</b>
Segment revenue	15,644	845,995	861,639
Segment result	(585,963)	(1,801,614)	(2,387,577)
Share based payments	-	1,358,588	1,358,588
Foreign exchange gain/(loss)	554	218,682	219,236
Segment assets	45,537,171	12,715,811	58,252,982
Segment liabilities	(6,647,110)	(672,279)	(7,319,389)

<b>Nine months ending March 31, 2011</b>	<b>Guyana \$</b>	<b>All other segments \$</b>	<b>Consolidated \$</b>
Segment revenue	27,018	150,662	177,680
Segment result	(486,955)	(1,556,513)	(2,043,468)
Share based payments	-	(45,378)	(45,378)
Foreign exchange gain/(loss)	-	(511,243)	(511,243)
Segment assets	25,067,700	12,110,078	37,177,778
Segment liabilities	(6,017,566)	(964,524)	(6,982,090)

**11. SHARE BASED PAYMENTS**

**Employee and Consultants Option Plan**

Executives and certain senior members of staff of the Company hold options exercisable for ordinary shares of the Company. The options are issued for nil consideration, with various exercise prices, expiry dates, and vesting conditions. The options are non-transferrable and the Company does not intend to apply for quotation of the options on either the ASX or TSX.

Under the Employee and Consultants Option Plan approved by shareholders in July 2010, the Company can issue up to 5% of the issued and outstanding ordinary shares.

The value of options issued in the nine months ended March 31, 2012 of \$890,070 was calculated using a relative fair value method based on the Black Scholes option pricing model.

On October 24, 2011 the Company issued 3,000,000 options under the Company's Employee and Consultants Option Plan. The options had exercise prices of 70 cents and 90 cents, and an expiry date of September 30, 2014. The fair value at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 91%; risk free interest rate of 3.95%; and an expected life of three years. The estimated value of \$721,050 has been recorded as a debit to share based payment expense and a credit to options reserve, as the options vested immediately.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**11. SHARE BASED PAYMENTS (CONTINUED)**

On January 17, 2012 the Company issued 2,250,000 options under the Company's Employee and Consultants Option Plan. The options had exercise prices of 70 cents and 90 cents, and an expiry date of January 17, 2015. The fair value at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 84%; risk free interest rate of 3.25%; and an expected life of three years. The estimated value of \$637,538 will be recorded as a debit to share based payment expense and a credit to options reserve as the options vest. The options issued during the nine month period ended March 31, 2012 vest over different time periods as follows: 300,000 options vested immediately, 975,000 options vest after one year from the date of issue and 975,000 options vest after two years from the date of issue. During the period, an amount of \$169,020 was recorded in the statement of comprehensive income in relation to these options.

**(i) Option Movements**

The following table reconciles the movements in options over the past nine months:

	<b>March 31, 2012</b>	
	<b>No.</b>	<b>\$</b>
Outstanding at the start of the period	37,952,200	1,989,850
Issued	5,250,000	890,070
Forfeited	(175,000)	(4,954)
Exercised	(16,301,666)	(688,789)
<b>Balance at the end of the period</b>	<b>26,725,534</b>	<b>2,186,177</b>
Exercisable at the end of the period	22,850,534	

**12. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) Azimuth entered into the following transactions with related parties:

	<b>Notes</b>	<b>Three months ended March 31, 2012</b>	<b>Three months ended March 31, 2011</b>	<b>Nine months ended March 31, 2012</b>	<b>Nine months ended March 31, 2011</b>
Javelin Minerals Inc	(i)	47,849	45,137	171,983	152,776
Greatcity Corporation	(ii)	48,000	50,948	144,072	90,548
Oyster Consulting Pty Ltd	(iii)	9,750	8,750	37,250	26,250

- (i) Executive remuneration paid to Javelin Minerals Inc, a company controlled by Mr Dominic O'Sullivan. As at March 31, 2012 Javelin Minerals was owed \$5,917 (March 31, 2011 - \$14,259) and this amount is included in trade and other creditors.
- (ii) Executive and consulting services paid to Greatcity Corporation Pty Ltd, a company controlled by Mr Richard Monti. As at March 31, 2012 Greatcity Corporation was owed \$16,000 (March 31, 2011 - \$16,000) and this amount is included in trade and other creditors.
- (iii) Directors fees paid to Oyster Consulting Pty Ltd, a Company in which Mr Felton has a beneficial interest.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**12. RELATED PARTY TRANSACTIONS (CONTINUED)**

(b) Remuneration of directors and key management personnel of the Corporation was as follows:

	<b>Three months ended March 31, 2012</b>	<b>Three months ended March 31, 2011</b>	<b>Nine months ended March 31, 2012</b>	<b>Nine months ended March 31, 2011</b>
<i>Directors</i>				
Board and sub-committee fees	58,921	35,450	161,146	138,142
Executive/consulting fees	95,849	103,550	316,054	269,573
<i>Key Management Personnel</i>				
Executive/consulting fees	148,117	-	202,617	-
Share-based payments	149,632	-	870,682	-
	<b>452,519</b>	<b>139,000</b>	<b>1,550,499</b>	<b>407,715</b>

**13. BASIC LOSS PER SHARE**

Basic loss per share (cents per share)	(0.28)	(0.12)	(0.66)	(0.74)
Weighted Average Number of Share	387,471,420	284,624,239	361,587,148	277,986,131

**14. COMMITMENTS**

(a) Exploration Expenditure Commitments

The following amounts represent payments required to maintain tenure, vendor payments and amounts committed under work programs. These amounts are not legal obligations of the group and actual expenditure may vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

	<b>Consolidated</b>	
	<b>March 31, 2012</b>	<b>June 30, 2011</b>
	<b>\$</b>	<b>\$</b>
Less than one year	4,985,000	2,160,000
Between one year to five years	3,028,000	-
	<b>8,013,000</b>	<b>2,160,000</b>

(b) Lease Commitments

The Company leases office premises in both Guyana and Perth, Western Australia under an operating lease. The lease periods run for four years and two years, and commenced on February 1, 2010 and December 1, 2011 respectively. Other lease commitments include residential properties leased for expatriate employees. The Company has also contracted the use of drill rigs to conduct drilling programs at March 31, 2012. Certain of these commitments will partially satisfy the exploration commitments in (a) above.

Non-cancellable operating lease rentals are payable as follows:

	<b>Consolidated</b>	
	<b>March 31, 2012</b>	<b>June 30, 2011</b>
Less than one year	667,000	1,414,000
Between one year to five years	194,000	25,000
	<b>861,000</b>	<b>1,439,000</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Nine Months Ended March 31, 2012  
(Unaudited)

**14. COMMITMENTS (CONTINUED)**

(c) Remuneration Commitments

Senior management have entered into agreements whereby either party can terminate the agreement by giving between two to three months written notice. The commitment associated with these arrangements is as follows:

	<b>Consolidated</b>	
	<b>March 31, 2012</b>	<b>June 30, 2011</b>
	<b>\$</b>	<b>\$</b>
Less than one year	210,000	45,000
	<b>210,000</b>	<b>45,000</b>

**15. SUBSEQUENT EVENTS**

Subsequent to March 31, 2012, and to the date of this report, the Company issued and allotted a total of 3,517,580 shares upon the exercise of options. The Company received proceeds of \$206,703 in relation to these issues.

On April 26, 2012, the Company announced the appointment of Sean Harvey as a non-executive director.

On May 10, 2012, the Company listed on the TSX.