

BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

INTERIM REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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DIRECTORS' REPORT

DIRECTORS' REPORT

Your directors present their report on the Company for the half-year ended 31 December 2011.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

Mr A Crimmins, Non-Executive Chairman
Mr R Pritchard
Mr A Wild (appointed 16 September 2011)
Mr G Cornelson (resigned 16 September 2011)

Principal Activities

The Company's principal activity in the course of the financial period was to identify business opportunities that will assist in adding shareholder value.

Review of Operations

The Company incurred an after tax loss attributed to members of \$11,015 for the six months to 31 December 2011 (2010: \$146,256 loss). While the Company incurred a loss over the six months, it has made significant progress. The key developments were:

Significant Events Since Balance Sheet Date

Blackcrest Resources is pleased to announce that it has entered into an agreement with Bligh Mining Pty Limited to acquire 100% of the shares of Bligh Mining. Under the Proposed Transaction, subject to satisfaction of certain conditions precedent (see below) to completion:

- Bligh Mining will be granted the issue of one Blackcrest Share in exchange for each share in Bligh Mining;
- Bligh Mining will be granted the issue of one Blackcrest Option in exchange for each Bligh Mining Option;
- The board of Blackcrest will be constituted by a majority of directors nominated by Bligh Mining; and
- The name of Blackcrest will be changed to Bligh Mining Limited (or equivalent subject to ASX and ASIC approval)

DIRECTORS' REPORT

Significant Events Since Balance Sheet Date (contd)

Under the agreement, completion of the Proposed Transaction is subject to:

- a) Bligh Mining undertaking a capital raising of not less than \$5,000,000;
- b) The Company undertaking a capital raising of up to \$258,000;
- c) Shareholders of the Company passing all necessary resolutions including approval of a consolidation of the Company's share capital following the capital raising;
- d) Shareholders of the Company approving the Proposed Transaction and the issue of fully paid ordinary shares and options in the Company as consideration for the Company's acquisition of Bligh Mining;
- e) Shareholders of Bligh Mining approving the Proposed Transaction;
- f) Definitive transaction documents being executed including a Share Sale and Subscription Agreement and other ancillary agreements; and
- g) Satisfaction of certain other conditions precedent including:
 - i. Governmental and regulatory approvals, as required; and
 - ii. Each party having completed due diligence review.

Blackcrest will convene an extraordinary general meeting of shareholders to consider the relevant shareholder resolutions.

Further details of the above mentioned transaction documents, tenements and business activities will be set out in the notice of meeting and explanatory statement.

Blackcrest will dispatch the notice of meeting and explanatory memorandum in due course.

The Company issued 311,153 fully paid ordinary shares at an issue price of \$0.03 raising \$9,335 on 7 March 2012.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

DIRECTORS' REPORT

Auditor's Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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

A handwritten signature in black ink that reads "Tony Crimmins". The signature is written in a cursive, flowing style.

Tony Crimmins
Director

Dated this 30 day of March 2012

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Blackcrest Resources Limited for the half year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM BIRD CAMERON PARTNERS
Chartered Accountants



C J HUME
Partner

Sydney, NSW
Dated: 30 March 2012

BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Half-year	
	31.12.2011	31.12.2010
	\$	\$
Revenue	417	1,388
Other income	50,000	-
Travel costs	(1,621)	-
Insurance costs	(8,877)	-
Other expenses	(50,934)	(147,644)
Loss before income tax	(11,015)	(146,256)
Income tax expense	-	-
Loss after tax	(11,015)	(146,256)
Other comprehensive income	-	-
Total comprehensive income for the period	(11,015)	(146,256)
Loss attributable to:		
- Members of the parent entity	(11,015)	(146,256)
- Non-controlling interest	-	-
	(11,015)	(146,256)
Total comprehensive income attributable to:		
- Members of the parent entity	(11,015)	(146,256)
- Non-controlling interest	-	-
	(11,015)	(146,256)
Earnings per share for loss attributable to the ordinary equity holders of the Company:		
Basic loss per share (cents per share)	(0.03) cents	(0.50) cents
Diluted loss per share (cents per share)	(0.03) cents	(0.50) cents

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BLACKCREST RESOURCES LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31.12.2011 \$	30.06.2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		106,208	143,231
Trade and other receivables		11,390	5,199
Other current assets		8,774	8,155
TOTAL CURRENT ASSETS		<u>126,372</u>	<u>156,585</u>
TOTAL ASSETS		<u>126,372</u>	<u>156,585</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		165,091	184,289
TOTAL CURRENT LIABILITIES		<u>165,091</u>	<u>184,289</u>
TOTAL LIABILITIES		<u>165,091</u>	<u>184,289</u>
NET LIABILITIES		<u>(38,719)</u>	<u>(27,704)</u>
EQUITY			
Issued capital		13,961,745	13,961,745
Reserves		922,217	922,217
Accumulated losses		<u>(14,922,681)</u>	<u>(14,911,666)</u>
TOTAL EQUITY		<u>(38,719)</u>	<u>(27,704)</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

BLACKCREST RESOURCES LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance as at 1 July 2010	13,505,283	922,217	(14,546,952)	(119,452)
Loss for period	-	-	(146,256)	(146,256)
Total comprehensive income for the period	-	-	(146,256)	(146,256)
Transactions with owners in their capacity as owners:				
Shares issued during the period	195,732	-	-	195,732
Non-controlling Interest	-	-	-	-
Share options expense	-	-	-	-
Balance as at 31 December 2010	13,701,015	922,217	(14,693,208)	(69,976)
Balance as at 1 July 2011	13,961,745	922,217	(14,911,666)	(27,704)
Loss for period	-	-	(11,015)	(11,015)
Non-controlling Interest	-	-	-	-
Total comprehensive income for the period	-	-	(11,015)	(11,015)
Balance as at 31 December 2011	13,961,745	922,217	(14,922,681)	(38,719)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BLACKCREST RESOURCES LIMITED
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STATEMENTS OF CASHFLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	31.12.2011	31.12.2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	50,000	-
Payments to suppliers and employees (inclusive of goods & services tax)	(87,440)	(151,300)
Interest received	417	1,388
Net cash outflow from operating activities	(37,023)	(149,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	-	195,732
Proceeds from convertible loans	-	127,750
Net cash inflow from financing activities	-	323,482
Net (decrease)/increase in cash and cash equivalents	(37,023)	173,570
Cash and cash equivalents at the beginning of the period	143,231	57,885
Cash and cash equivalents at the end of the period	106,208	231,455

The above statement of cash flows should be read in conjunction with the accompanying notes.

BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2011**

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

BLACKCREST RESOURCES LIMITED
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**NOTES TO THE FINANACIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2011**

(a) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$11,015 and had net cash outflow from operating activities of \$37,023 for the half year ended 31 December 2011. As at that date the company's current and total liabilities exceeded its total assets by \$38,719. The ability of the company to continue as a going concern is dependent on a combination of a number of factors the most significant of which is the ability of the company to raise additional funds in the following 12 months.

These factors indicate significant uncertainty as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the company will be able to continue as a going concern after consideration of the following factors:

- The company issued 311,153 fully paid ordinary shares at an issue price of \$0.03 raising \$9,335 on 7 March 2012;
- The company plans to raise sufficient funds in the near future to fund a re-listing process; and
- The Directors regularly monitor the company's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the company to meet its business objectives.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt that basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

BLACKCREST RESOURCES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2011**

(b) Critical Accounting Estimates and Judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2011.

NOTE 2: LOSS FROM ORDINARY ACTIVITIES

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of comprehensive income.

NOTE 3: DIVIDENDS

No dividends have been declared or paid during the period.

NOTE 4: OPERATING SEGMENTS

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

During the period, the Company considers that it has only operated in one segment, being to identify business opportunities that will assist in adding shareholder value in Australia.

NOTE 5: CONTINGENT LIABILITIES

The Company had no significant contingent liabilities at 31 December 2011 or at 30 June 2011.

BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

**NOTES TO THE FINANACIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2011**

NOTE 6: EVENTS OCCURRING AFTER BALANCE DATE

Blackcrest Resources is pleased to announce that it has entered into an agreement with Bligh Mining Pty Limited to acquire 100% of the shares of Bligh Mining. Under the Proposed Transaction, subject to satisfaction of certain conditions precedent (see below) to completion:

- Bligh Mining will be granted the issue of one Blackcrest Share in exchange for each share in Bligh Mining;
- Bligh Mining will be granted the issue of one Blackcrest Option in exchange for each Bligh Mining Option;
- The board of Blackcrest will be constituted by a majority of directors nominated by Bligh Mining; and
- The name of Blackcrest will be changed to Bligh Mining Limited (or equivalent subject to ASX and ASIC approval)

Under the agreement, completion of the Proposed Transaction is subject to:

- a) Bligh Mining undertaking a capital raising of not less than \$5,000,000;
- b) The Company undertaking a capital raising of up to \$258,000;
- c) Shareholders of the Company passing all necessary resolutions including approval of a consolidation of the Company's share capital following the capital raising;
- d) Shareholders of the Company approving the Proposed Transaction and the issue of fully paid ordinary shares and options in the Company as consideration for the Company's acquisition of Bligh Mining;
- e) Shareholders of Bligh Mining approving the Proposed Transaction;
- f) Definitive transaction documents being executed including a Share Sale and Subscription Agreement and other ancillary agreements; and
- g) Satisfaction of certain other conditions precedent including:
 - iii. Governmental and regulatory approvals, as required; and
 - iv. Each party having completed due diligence review.

Blackcrest will convene an extraordinary general meeting of shareholders to consider the relevant shareholder resolutions.

Further details of the above mentioned transaction documents, tenements and business activities will be set out in the notice of meeting and explanatory statement.

Blackcrest will dispatch the notice of meeting and explanatory memorandum in due course.

The Company issued 311,153 fully paid ordinary shares at an issue price of \$0.03 raising \$9,335 on 7 March 2012.

No matters other than the above have arisen since 31 December 2011 that have significantly affected, or may significantly affect:

- (i) the Company's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Company's state of affairs in future financial years.

BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance, for the half-year ended on that date; and
- (b) 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.



Tony Crimmins
Director

Dated this 30 day of March 2012

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BLACKCREST RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Blackcrest Resources Limited which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Blackcrest Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 Blackcrest Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackcrest Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the company incurred a net loss of \$11,015 and had net cash outflows from operating activities of \$37,023 during the period ended 31 December 2011 and, as of that date, the company's current and total liabilities exceeded its total assets by \$38,719. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



RSM BIRD CAMERON PARTNERS

Chartered Accountants



C J HUME

Partner

Sydney, NSW

Dated: 30 March 2012