# BLACKCREST RESOURCES LIMITED

**ABN 86 073 153 223**

## ANNUAL FINANCIAL REPORT 30 JUNE 2012

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# CORPORATE INFORMATION

**DIRECTORS**
Mr A Crimmins
Mr A Wild
Mr R Pritchard

**COMPANY SECRETARY**
Mr G Hogan

**REGISTERED OFFICE**
Suite 6.08, Level 6
55 Miller Street
Pyrmont, NSW 2009

**PRINCIPAL PLACE OF BUSINESS**
Suite 6.08, Level 6
55 Miller Street
Pyrmont, NSW 2009

**POSTAL ADDRESS**
Suite 6.08, Level 6
55 Miller Street
Pyrmont, NSW 2009

**AUDITORS**
RSM Bird Cameron Partners
Level 12
60 Castlereagh Street
Sydney NSW 2000

**SOLICITORS**
Steinepreis Paganin
Level 4 The Read Buildings
16 Milligan Street
Perth WA 6000

**SHARE REGISTRY**
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

**INTERNET ADDRESS**
www.blackcrestresources.com.au

**ASX CODES**
Shares BCR

**COUNTRY OF INCORPORATION AND DOMICILE**
Australia

# DIRECTORS' REPORT

Your directors submit the annual financial report of Blackcrest Resources Limited ("the Company") for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act, the directors report as follows:

**Directors**

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

**A Crimmins,** BEng, ME, Dip Mark, MBA (Non-Executive Director)

Mr Crimmins was appointed director on 12 May 2010. He has a Master of Chemical Engineering and a Master of Business Administration Degree and his previous experience includes being a general manager, business development and project manager as well as a commercialiser of technology based products and services.

Mr Crimmins is currently a non executive director of the following ASX listed company:

- Jatenergy Limited

During the past three years he has also served as a non executive director of the following ASX listed companies:

- DVM International Limited
- Resource Star
- RKS Consolidated Limited
- AAT Corporation Limited
- MUI Corporation Limited

**R Pritchard,** BEng, Hons. (Civil), MIEAust, GAICD(Non-Executive Director)

Mr Pritchard was appointed director on 23 August 2010. He holds an Honours Degree in Civil Engineering and has had over 20 years experience in Civil Engineering and has been responsible for numerous infrastructure projects in the fields of telecommunications, transport, water, mining and energy.

Mr Pritchard is currently a non executive director of the following ASX listed companies:

- Shell Villages and Resorts Limited
- Jatenergy Limited

During the past three years he has also served as a non executive director of the following ASX listed company:

- WHL Energy Limited

**A Wild** (Non-Executive Director)

Andrew Wild is a mining engineer with more than 20 years' experience in the planning, development and delivery of critical infrastructure projects. He has successfully delivered more than $6 billion in road, rail, water, waste and gas assets in Australia and Southeast Asia, leading the planning, approval, stakeholder, land access and risk management functions.

Mr Wild has held director and senior management positions with Australian and multi-national firms, and delivered major infrastructure projects for Lend Lease, McDonnell Dowell, Veolia, John Holland, and SITA Australia. He has led the successful formation of joint ventures, private financing and acquisitions.

Mr Wild was appointed director on 16 September 2011.

**G Cornelsen**, BEc (Non-Executive Director)

Mr Cornelsen was appointed director on 20 June 2007 and resigned 16 September 2011.

At the date of this report, there are no women appointed as directors.

**Company Secretary**

**G Hogan** B.Bus, FCPA, FCSA

Mr Hogan was appointed company secretary on 19 June 2012. He acts as a company secretary for a number of ASX listed and unlisted companies in the resources and general business sectors.

# DIRECTORS' REPORT (continued)

**Interest in the Shares and Options of the Company**

As at the date of this report, the interests of the directors in the shares and options of the Company were:

| | Number of Ordinary Shares | |
|---|---|---|
| A Crimmins | (appointed 12 May 2010) | 1,788,083 |
| R Pritchard | (appointed 23 August 2010) | 2,114,243 |
| A Wild | (appointed 16 September 2011) | - |

**Share Options**

***Unissued shares***

As at the date of this report, there were no unissued ordinary shares under options (Nil at the reporting date).

***Shares issued as a result of the exercise of options***

The Company did not have any options on issue during the financial year so no options were exercised.

**Dividends**

No dividends were paid or recommended during the year.

**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 activity of the company has been to seek prospective business opportunities for acquisition or Joint Venture to increase the intrinsic value of the company for shareholders.

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:
    i. Governmental and regulatory approvals, as required; and
    ii. Each party having completed due diligence review.

The Company is currently not listed on the Australian Stock Exchange but if the Proposed Transaction with Bligh Mining Pty Limited proceeds then the Company will apply to be relisted.

The Company continues to review investment opportunities.

**Operating Results for the Year**

The loss for the year was $146,649 (2011: loss of $364,714).

**Financial Position**

In the past year the Company has continued to explore the opportunities for new projects and for the year ended 30 June 2012 net liabilities decreased by $83,814 (2011: $91,748 decrease).

The movement was largely the result of proceeds from capital raisings and payment of trade payables.

**Significant Changes in the State of Affairs**

Significant changes in the state of affairs of the group during the financial year were as follows:Total equity decreased to ($111,518) from ($27,704), a decrease of $83,814. The movement was largely the result of increased losses. A further $62,835 of contributed equity was

issued to facilitate working capital needs and conversion of old creditors obligations**.**

**Significant Events after Balance Date**

The Company announced on 13 August 2012 that it has entered into a Share Sale Agreement with Bligh Mining Pty Ltd and with each of the shareholders of Bligh Mining, to acquire 100% of the shares of Bligh Mining. An extraordinary general meeting of shareholders is to be held on 5 October 2012 to consider and vote on the above matter. (For more details, please refer to ASX announcements dated 13 August 2012 and 4 September 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.

**Likely Developments and Future Results**

The Directors will continue to review and identify business opportunities that will assist in adding shareholder value.

It is not possible to estimate the future results at this stage.

**Environmental Regulation and Performance**

The Company is not subject to any environmental regulations or licences.

**Indemnification of Officers and Auditors**

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

**Remuneration Report**

This report outlines the remuneration arrangements in place for the directors of the Company. Apart from the independent directors, the Company has no employees, no women appointed to senior executive positions and no women employees in the Company. This may change upon successful completion of the transaction with Bligh Mining Pty Limited.

**Remuneration Philosophy**

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

**Remuneration Committee**

The Company does not have a formal Remuneration Committee. The full Board attends to the matters normally attended to by a Remuneration Committee.

**Director Remuneration**

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of fees is not linked to the directors' or the Company's performance.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for directors is currently $210,000.

# DIRECTORS' REPORT (continued)

Further, shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

# DIRECTORS' REPORT (continued)

### Remuneration of Directors and Named Executives

**Table 1: Directors' remuneration for the year ended 30 June:**

| | | Primary Benefits | | | | Post Employment | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Salary & Fees** | **Cash STI** | **LTI** | **Non Monetary Benefits** | **Super-annuation** | **Retirement** | **Equity Options** | **Other** | **Total** | **% Performance Related** |
| R Kestel***** ^^^^ Director | 2011 | 8,486 | - | - | - | - | - | - | - | 8,486 | - |
| | 2012 | - | - | - | - | - | - | - | - | - | - |
| G Cornelsen ^^^ Director | 2011 | 30,000 | - | - | - | - | - | - | - | 30,000 | - |
| | 2012 | - | - | - | - | - | - | - | - | - | - |
| A Crimmins* Director | 2011 | 17,500 | - | - | - | - | - | - | - | 17,500 | - |
| | 2012 | 16,250 | - | - | - | - | - | - | - | 16,250 | - |
| R Pritchard****** Director | 2011 | 25,625 | - | - | - | - | - | - | - | 25,625 | - |
| | 2012 | 16,250 | - | - | - | - | - | - | - | 16,250 | - |
| A Wild** ^ Director | 2011 | - | - | - | - | - | - | - | - | - | - |
| | 2012 | 13,750 | - | - | - | - | - | - | - | 13,750 | - |
| **Total** | **2011** | **81,611** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **81,611** | **-** |
| | **2012** | **46,250** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **46,250** | **-** |

* Appointed 12 May 2010 ** Appointed 16 September 2011 ***** Appointed 15 June 2006 ^^^^ Resigned 13 October 2010 ^^^ Resigned 16 September 2011 ******Appointed 23 August 2010.

### Senior Management and Executives

The Company does not have any senior management or executives, and does not have any employment contracts in place.

### Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

| | **Number of Directors' Meetings attended** | **Number of Directors' Meetings eligible to attend** |
|---|---|---|
| Mr G Cornelsen | 1 | 1 |
| Mr A Crimmins | 3 | 3 |
| Mr R Pritchard | 3 | 3 |
| Mr A Wild | 2 | 2 |

# DIRECTORS' REPORT (continued)

**Remuneration Report (continued)**

**Committee Membership**

As at the date of this report, the Company has no committees.

The Company is not at a size that justifies having separate committees. However, matters typically dealt with by various committees are dealt with by the Board.

**Corporate Governance**

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Blackcrest Resources Ltd support the principles of corporate governance. The Company's corporate governance statement is contained after the directors' report on page 9.

**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.

**Auditor's Independence Declaration and Non-Audit Services**

The directors received the auditor's independence declaration on page 8 from the auditor of the Company.

No non-audit services were provided by the entity's auditor.

This declaration forms part of the directors' report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

**Anthony Crimmins**
Director
4 October 2012

**RSM Bird Cameron Partners**
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
**T** +61 2 9233 8933 **F** +61 2 9233 8521

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Blackcrest Resources Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

**RSM BIRD CAMERON PARTNERS**

**C J HUME**
Partner

Sydney, NSW
Dated: 4 October 2012

# CORPORATE GOVERNANCE STATEMENT

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

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

### CORPORATE GOVERNANCE DISCLOSURES

The Company is presently suspended from listing on the Australian Stock Exchange. It has entered into a transaction as disclosed in the Directors' Report with Bligh Mining Pty Limited, which is subject to approval at a meeting of shareholders. Currently the Company does not have any executives and all management functions are performed by the Board, including assurances as to the integrity of the Financial Statements, which are prepared on behalf of the Company by a consultant.

The Board are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, the Company departs from the Guidelines in four (4) key areas:

- The Company does not have a separate Nomination Committee. This is a departure from Recommendation 2.4.
- The Company does not have a policy on diversity nor has it established measurable objectives for achieving gender diversity. This is a departure from Recommendations 3.2, 3.3 and 3.4
- The Company currently does not have a separate Audit Committee. This is a departure from Recommendation 4.1.
- The Company does not have a separate Remuneration Committee. This is a departure from Recommendation 8.1.

As the Board of the Company will change upon the approval of the proposed transaction with Bligh Mining Pty Limited, the current directors believe the current Corporate Governance Policies are appropriate. It is the intention of the current Directors that the existing Corporate Governance Policies will be reviewed by the newly constructed Board.

### ROLE OF THE BOARD

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
  - Directors and Executive Officers Code of Conduct;
  - Dealings in Securities; and
  - Reporting and Dealing with Unethical Practices.
- Reporting to and advising shareholders.

### Trading Policy

The Company has developed a policy regarding directors and employees trading in its securities. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

**Ethical Standards**

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

**STRUCTURE OF THE BOARD**

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings are a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

| Name | Position |
|---|---|
| A Wild | Non-Executive Director |
| A Crimmins | Non-Executive Director |
| R Pritchard | Non-Executive Director |

There are procedures in place, agreed by the Board, to enable the Directors in furtherance of their duties to seek independent professional advice at the Company’s expense.

The term in office held by each director is as follows:

| Name | Term |
|---|---|
| A Wild | Appointed 16 September 2011 |
| A Crimmins | Appointed 12 May 2010 |
| R Pritchard | Appointed 23 August 2010 |

*Remuneration and Nomination Committee*

Due the size of the Company and the fact it is presently suspended from listing on the Australian Stock Exchange the Board does not consider it appropriate or necessary to establish a formal Remuneration or Nomination Committee. The full Board attends to the matters normally attended to by a Remuneration or Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives. The Board acknowledges that the when the size and nature of the Company warrants a Remuneration and Nomination Committee that the Committee will operate under a Charter approved by the Board

For full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits ton Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.

*Audit and Risk Management Committee*

The Board has not established nor considers it necessary or appropriate given the size of the Company and the fact it is suspended from listing on the Australian Stock Exchange to establish an Audit and Risk Management Committee. The full Board currently attends to the matters normally attended to by such a Committee.

The Board acknowledges that the when the size and nature of the Company warrants an Audit and Risk Management Committee that the Committee will operate under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators.

The Board will delegate responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee.

The Company's Policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Audit and Risk Management Committee. The auditors have a policy of rotating the audit partner at least every 5 years.

**RISK MANAGEMENT**

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholder value. The identification and management of risk by the Board will continue to be monitored. However, until such time as a business or project is acquired by the Company, specific risks related to that business or project are currently unknown.

The Company will undertake a comprehensive due diligence process, in consultation with its external legal and other advisors prior to making any acquisitions. The preparation of a comprehensive risk management matrix will be prepared once a suitable acquisition has been identified.

The equivalent of the CEO and CFO provide written assurance to the Board on an annual basis that to the best of their knowledge and belief, the declaration provided by them 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 relation to financial reporting risks.

The assurances from the equivalent of the CEO and CFO can only be reasonable rather than absolute due to factors such as the need for judgement and possible weaknesses in control procedures.

Any material changes in the Company's circumstances are released to the ASX and included on the Company's website.

**BEST PRACTICE RECOMMENDATION**

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

| Corporate Governance Policy | Comment |
|---|---|
| ***Principle 1*** <br> ***Lay solid foundation for management and oversight*** | ***Adopted*** |
| 1.1 Formalise and disclose the functions reserved to the Board and those delegated to management. | The Company's Corporate Governance Polices includes a Board Charter, which discloses the specific responsibilities of the Board, however the functions of management of the Company are currently undertaken by the Board. |
| 1.2 Disclose the process for evaluating the performance of senior executives. | The Board will monitor the performance of senior management including measuring actual performance against planned performance. It should be noted that currently the Company does not employ any senior executives & therefore there is no need for evaluation of performance. |
| 1.3 Provide the information indicated in 'Guide to reporting on Principle 1'. | The Company will provide details of any departures from best practice recommendation Principle 1 in its Annual Report. |
| ***Principle 2*** <br> ***Structure the board to add value*** | ***Adopted except for Recommendations 2.3 and 2.4*** |
| 2.1 A majority of the Board should be independent. | The Company is in compliance with this recommendation as all of the Directors are defined as being independent. |
| 2.2 The chairperson should be an independent director. | The Company is in compliance with this recommendation as the Chairperson is an independent Director. |
| 2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual. | *The Company is not in compliance with this recommendation as all functions of management are undertaken by the Board due to the size of the Company & that it has been suspended from listing on the Australian Stock Exchange. However, if the transaction with Bligh Mining Pty Limited proceeds this recommendation will likely be complied with.* |
| 2.4 The board should establish a nomination committee. | *No formal nomination committee or procedures have been adopted as yet given the size of the Company and the Board. The Board, as a whole, will serve as a nomination committee whilst the Company remains suspended.* <br><br> *Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership.* |
| 2.5 Disclose the process for evaluating the performance of the board, its committees and the individual directors. | The Board will conduct an annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate. |
| 2.6 Provide the information indicated in 'Guide to reporting on Principle 2'. | The Company will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports. |

# CORPORATE GOVERNANCE STATEMENT (continued)

| Corporate Governance Policy | Comment |
|---|---|
| ***Principle 3*** <br> ***Actively promote ethical and responsible decision-making*** | ***Adopted except for recommendations 3.2 and 3.3.*** |
| 3.1 Establish a code of conduct and disclose the code or a summary of the code as to: <br> 3.1.1 the practices necessary to maintain confidence in the Company's integrity <br> 3.1.2 the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders <br> 3.1.3 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices. | The Company's Corporate Governance Policies include a Directors and Executive officers' Code of Conduct Policy, which provides a framework for decisions and actions in relation to ethical conduct in employment. Currently all those functions are performed by the Board. |
| 3.2 .Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them. | *Given the size of the Company & the fact is not currently listed on the Australian Stock Exchange the Board has not established a policy on gender diversity. However the Company is currently considering a transaction with Bligh Mining Pty Limited which if it proceeds may enable to company to be relisted on the Australian Stock Exchange. It would also mean that a new Board would be established and it is proposed that Board will establish such a policy.* |
| 3.3 Disclose in each Annual Report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them | As the Company does not have a diversity policy presently, there are no measurable objectives for achieving gender diversity. |
| 3.4 Disclose in the annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.. | There are no women on the Board of the Company. As the Company has no employees, there are no women employed in the organisation or in senior executive positions. |
| 3.5 Provide the information indicated in 'Guide to Reporting on Principle 3'. | The Company will provide details of any departures from best practice recommendation Principle 3 in its Annual Report. |
| ***Principle 4*** <br> ***Safeguard integrity in financial reporting*** | ***Adopted except for Recommendation 4.1*** |
| 4.1 The Board should establish an audit committee. | *The Board considers that it is not of sufficient size at this stage to require a separate audit committee. Until the audit committee has been established, its functions, roles and responsibilities will be undertaken by the Board.* |
| 4.2 Structure the audit committee so that it consists of: <br> ▪ Only non-executive directors <br> ▪ A majority of independent directors <br> ▪ An independent chairperson who is not the chairperson of the Board <br> ▪ At least three members. | The composition, roles and responsibilities of the audit committee when it is established will be set out in the Corporate Governance Plan. |
| 4.3 The audit committee should have a formal operating charter. | The Audit and Risk Committee will adopt a formal Charter when established. |
| 4.4 Provide the information indicated in the 'Guide to reporting on Principle 4'. | The Company will provide details of any departures from best practice recommendation Principle 4 in its Annual Report. |

# CORPORATE GOVERNANCE STATEMENT (continued)

| Corporate Governance Policy | Comment |
| --- | --- |
| ***Principle 5*** <br> ***Promote timely and balanced disclosure*** | ***Adopted*** |
| 5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. | The Company has a Continuous Disclosure program in place which is designed to ensure compliance with the ASX Listing Rules requirements on disclosure and to ensure accountability at a board level for compliance and factual presentation of the Company's financial position. |
| 5.2 Provide the information indicated in the 'Guide to reporting on Principle 5'. | The Company will provide details of any departures from best practice recommendation Principle 5 in its Annual Report. |
| ***Principle 6*** <br> ***Respect the rights of shareholders*** | ***Adopted*** |
| 6.1 Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy | The Company's Corporate Governance Policies includes a Shareholder Communications Policy which aims to ensure that the shareholders are informed of all material developments affecting the Company's state of affairs. |
| 6.2 Provide the information indicated in the 'Guide to reporting on Principle 6'. | The Company will provide details of any departures from best practice recommendation Principle 6 in its Annual Report. |
| ***Principle 7*** <br> ***Recognise and manage risk*** | ***Adopted*** |
| 7.1 The Board or appropriate Board committee should establish policies on risk oversight and management. | The Company's Corporate Governance Policies includes a Risk Management Policy which aims to ensure that all material business risks are identified and mitigated. <br> The Board determines and identifies the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal controls. |
| 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. | The Board has designed and implemented continuous risk management and internal control systems. Reports as requested are provided at relevant times. |
| 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 risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks. | The Board seeks, at the appropriate times, the relevant assurances from the individuals appointed to perform the roles of Chief Executive Officer and the Chief Financial Officer. Currently the assurances are provided by the Chairman who performs the functions of the Chief Executive Officer in the absence of an appointed Chief Executive Officer and an external consultant who prepares the financial statements for the Company. |
| 7.4 Provide the information indicated in the 'Guide to reporting on Principle 7'. | The Company will provide details of any departures from best practice recommendation Principle 7 in its Annual Report. |
| ***Principle 8*** <br> ***Remunerate fairly and responsibly*** | ***Adopted except for Recommendations 8.1 and 8.2*** |

# CORPORATE GOVERNANCE STATEMENT (continued)

| Corporate Governance Policy | Comment |
|---|---|
| 8.1 The Board should establish a remuneration committee | *The Company's remuneration committee comprises the Board acting without the affected director participating in the decision making process* |
| 8.2 The Remuneration Committee should be structured so that it<br>• Consists of a majority of independent directors;<br>• Is chaired by an independent chair;<br>• Has at least 3 members. | *As noted in 8.1 the Company's remuneration committee comprises the Board acting without the affected director participating in the decision making process. The Board consist of 3 independent directors and the Chairman of the Board is an independent director. It is intended that when the company establishes a Remuneration Committee it will comply with these recommendations.* |
| 8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executives | The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting.<br><br>The Board is responsible for determining the remuneration of the Managing Director and senior executives (without the participation of the affected director). |
| 8.4 Provide the information indicated in the 'Guide to reporting on Principle 8'. | The Company will provide details of any departures from best practice recommendation Principle 8 in its Annual Report. |

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 $ | 2011 $ |
|---|---|---|---|
| **Continuing Operations** | | | |
| Revenue | 2(a) | **23,311** | 3,053 |
| Other expenses | 2(b) | **(169,960)** | (367,767) |
| **Loss before tax** | | **(146,649)** | (364,714) |
| Income tax expense | 3 | - | - |
| **Loss from continuing operations** | | **(146,649)** | (364,714) |
| **Loss for the year** | | **(146,649)** | (364,714) |
| | | | |
| **Other comprehensive income** | | **-** | - |
| **Total comprehensive income for the year** | | **(146,649)** | (364,714) |
| | | | |
| **Loss for the year attributable to:** | | | |
| Members | | **(146,649)** | (364,714) |
| Non-controlling interest | | **-** | **-** |
| | | **(146,649)** | (364,714) |
| | | | |
| **Total comprehensive income for the year attributable to:** | | | |
| Members | | **(146,649)** | (364,714) |
| Non-controlling interest | | **-** | - |
| | | **(146,649)** | (364,714) |
| | | | |
| **Earnings per share** | 5 | | |
| From continuing operations | | | |
| Basic earnings per share (cents) | | (0.33) | (1.16) |
| Diluted earnings per share (cents) | | (0.33) | (1.16) |

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

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2012

| | Note | 2012<br>$ | 2011<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 6 | **157,592** | 143,231 |
| Trade and other receivables | 7 | **5,979** | 5,199 |
| Other current assets | 8 | **3,987** | 8,155 |
| **Total Current Assets** | | **167,558** | 156,585 |
| **TOTAL ASSETS** | | **167,558** | 156,585 |
| | | | |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 10 | **279,076** | 184,289 |
| **Total Current Liabilities** | | **279,076** | 184,289 |
| **TOTAL LIABILITIES** | | **279,076** | 184,289 |
| **NET LIABILITIES** | | **(111,518)** | (27,704) |
| | | | |
| **EQUITY** | | | |
| Issued capital | 11(a) | **14,024,580** | 13,961,745 |
| Reserves | 11(b) | **922,217** | 922,217 |
| Retained losses | | **(15,058,315)** | (14,911,666) |
| | | **(111,518)** | (27,704) |
| | | | |
| Equity attributable to members | | **(111,518)** | (27,704) |
| Non-controlling interest | | **-** | - |
| **TOTAL EQUITY** | | **(111,518)** | (27,704) |

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

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2012

| | Note | Issued capital $ | Option reserve $ | Retained earnings $ | Total equity $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2010** | | 13,505,283 | 922,217 | (14,546,952) | (119,452) |
| Shares issues (net of costs) | | 456,462 | - | - | 456,462 |
| Loss attributable to members | | - | - | (364,714) | (364,714) |
| **Total comprehensive income for the year** | | - | - | (364,714) | (364,714) |
| **At 30 June 2011** | | 13,961,745 | 922,217 | (14,911,666) | (27,704) |
| **Balance at 1 July 2011** | | **13,961,745** | **922,217** | **(14,911,666)** | **(27,704)** |
| Shares issues (net of costs) | | 62,835 | - | - | 62,835 |
| Loss attributable to members | | - | - | (146,649) | (146,649) |
| **Total comprehensive income for the year** | | - | - | (146,649) | (146,649) |
| **At 30 June 2012** | | **14,024,580** | **922,217** | **(15,058,315)** | **(111,518)** |

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

# STATEMENT OF CASHFLOWS
## FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 $ | 2011 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Interest income | | **23,311** | 3,053 |
| Payments to suppliers | | **(253,950)** | (374,168) |
| **Net cash flows used in operating activities** | 6 | **(230,639)** | (371,115) |
| | | | |
| **Cash flows from financing activities** | | | |
| Share monies received in advance | | **206,500** | - |
| Proceeds from issues of shares | | **38,500** | 456,461 |
| **Net cash flows from financing activities** | | **245,000** | 456,451 |
| | | | |
| Net increase in cash and cash equivalents | | **14,361** | 85,346 |
| Cash and cash equivalents at beginning of period | | **143,231** | 57,885 |
| **Cash and cash equivalents at end of period** | 6 | **157,592** | 143,231 |

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

This financial report includes the financial statements and notes of Blackcrest Resources Limited ("Company"). The Company is limited by shares, incorporated and domiciled in Australia.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (b) Going Concern

The financial statements have been prepared on the 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 $146,649 and had net cash outflows from operating activities of $230,639 for the year ended 30 June 2012. As at that date the Company's current and total liabilities exceeded its total assets by $111,518. 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:

a) The Company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001, as evidenced by the following:
   - The Company issued 311,153 ordinary shares in March 2012 at a deemed issue price of $0.03 per share raising $9,335 in support of eradicating creditor debt;
   - The Company issued 500,000 ordinary shares in April 2012 at a deemed issue price of $0.03 per share raising $15,000 in support of eradicating creditor debt; and
   - The Company issued 5,500,000 ordinary shares in April 2012 at a deemed issue price of $0.007 per share raising $38,500.

b) 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 the going concern 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.

### (c) Income Tax

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

Deferred tax is accounted for using the statement of financial position 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 recognised 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 realised or liability is settled. Deferred tax is credited in the statement of comprehensive income 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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(d) Financial Instruments**

Recognition and Initial Measurement

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the statement of comprehensive income immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

Classification and Subsequent Measurement

i. *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 subsequently measured at amortised cost using the effective interest rate method.

ii. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**(e) Impairment of assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of comprehensive income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rate basis.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset is greater than its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. The decrement in the carrying amount is recognised as an expense in the reporting period in which the impairment loss occurs.

### (f) Intangibles

Database

An intangible asset exists comprising costs capitalised to create a client contact database for the Company to source future work. The database was originally purchased from the Knights Insolvency Partnerships. Future costs incurred in maintaining the database will be expensed as incurred. The balance is reviewed annually by the Directors' and any balance representing future benefits for which realisation is considered to be no longer probable will be written off.

### (g) Employee benefits

Provision is made for the Company'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. 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. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### (h) Cash and cash equivalents

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

### (i) Revenue and other income

Revenues are stated net of the amount of goods and services tax (GST) payable to the taxation authority.

Revenue from the provision of services is recognised when the services have been provided to the customer.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

### (j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

### (k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (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 statement of financial position are shown inclusive GST.

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

### (l) Comparative figures

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

### (m) Earnings per share

Basic earnings per share is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interests associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(n) Critical accounting estimates and judgements**

The directors evaluate estimates and judgments 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 company.

<u>Key Estimates — Impairment</u>

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(o) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

  This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

  Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

  The amendments are not expected to significantly impact the Company.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

  The main change arising from this Standard is the requirement for entities to Company items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

  This Standard affects presentation only and is therefore not expected to significantly impact the Company.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

The financial report was authorised for issue on 4 October 2012 by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

**FOR THE YEAR ENDED 30 JUNE 2012**

## 2. REVENUE AND EXPENSES

| | 2012 $ | 2011 $ |
|---|---|---|
| **(a) Revenue from continuing operations** | | |
| Finance revenue – Bank interest | **23,311** | 3,053 |
| | **23,311** | 3,053 |
| **(b) Other expenses** | | |
| Auditors remuneration | **27,014** | 26,000 |
| Directors' fees | **46,250** | 81,611 |
| Other administration expenses | **96,696** | 260,156 |
| | **169,960** | 367,767 |

## 3. INCOME TAX EXPENSE

| | 2012 $ | 2011 $ |
|---|---|---|
| The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows: | | |
| Prima facie benefit on loss from ordinary activities (30%) | **(43,995)** | (109,414) |
| Add tax effect of non-allowable items | **321** | - |
| | **(43,674)** | (109,414) |
| Deferred Tax Asset (DTA) on temporary differences and tax losses not brought to account | **43,674** | 109,414 |
| Income tax expense for the year | **-** | - |
| ***Deferred tax assets not brought to account at balance date*** | | |
| Tax losses not brought to account | **43,674** | 109,414 |
| Other temporary differences: | | |
| Business capital costs | **-** | 40,224 |
| | **43,674** | 149,638 |

The DTA not brought to account will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) the company is able to meet the continuity of business tests and or continuity of ownership.

## 4. DIVIDENDS PAID AND PROPOSED

No dividends were paid or recommended during the year.

## 5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Share options with an exercise price above the average market price during the period have been excluded from the calculation of the diluted EPS. Diluted earnings per share are not reflected as the result is anti-dilutive in nature.

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| The following reflects the income and share data used in the basic and diluted earnings per share computations: | | |
| Net loss attributable to ordinary equity holders | **(146,649)** | (364,714) |

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share | **43,948,941** | 31,307,632 |
| Effect of dilution: | | |
| Share options | **-** | - |
| Weighted average number of ordinary shares adjusted for the effect of dilution | **43,948,941** | 31,307,632 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

## 6. CASH AND CASH EQUIVALENTS

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| Cash at bank and cash in hand | **157,592** | 143,231 |
| | **157,592** | 143,231 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. The entity has no credit standby arrangements, loan or overdraft facilities for the year's ended 30 June 2011 and 30 June 2012.

The fair value of cash and cash equivalents is $157,592 (2011 $143,231).

**CASH AND CASH EQUIVALENTS** (continued)

| | 2012 $ | 2011 $ |
|---|---|---|
| **Reconciliation of cash flow from operations with loss after income tax** | | |
| Loss after income tax | **(146,649)** | (364,714) |
| Add/(less) non-cash flows in loss from ordinary activities: | | |
| (Increase)/decrease in prepayments | **4,168** | - |
| (Increase)/decrease in receivables | **(780)** | 7,583 |
| Increase/(decrease) in payables | **(87,378)** | (13,984) |
| **Cash flows from operations** | **(230,639)** | (371,115) |

## 7. TRADE & OTHER RECEIVABLES

| | 2012 $ | 2011 $ |
|---|---|---|
| **Current** | | |
| Other receivables (i) | **5,979** | 5,199 |
| | **5,979** | 5,199 |

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

## 8. OTHER CURRENT ASSETS

| | 2012 $ | 2011 $ |
|---|---|---|
| **Current** | | |
| Prepayments | **3,987** | 8,155 |
| | **3,987** | 8,155 |

## 9. INTANGIBLE ASSETS

| | 2012 $ | 2011 $ |
|---|---|---|
| Client Database at cost (refer note 1(f)) | **485,025** | 485,025 |
| Client Database accumulated amortisation and impairment | **(485,025)** | (485,025) |
| Internet Site at cost | **35,220** | 35,220 |
| Accumulated amortisation and impairment | **(35,220)** | (35,220) |
| | **-** | - |

## 10. TRADE & OTHER PAYABLES

| | 2012 $ | 2011 $ |
|---|---|---|
| **Current** | | |
| **Unsecured Liabilities** | | |
| Trade payables (i) | **52,576** | 184,289 |
| Other payables (ii) | **226,500** | - |
| | **279,076** | 184,289 |

(i) Trade payables are non-interest bearing and are normally settled on 60 day terms.

(ii) Other payables includes $206,500 relating to cash received in advance.

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| **11. ISSUED CAPITAL AND RESERVES** | | |
| **(a) Issued capital** | | |
| Ordinary shares (i) | **14,024,580** | 13,961,745 |
| *(i) Ordinary shares* | | |
| Issued and fully paid | **14,258,062** | 14,195,227 |
| Less: equity raising costs | **(233,482)** | (233,482) |
| | **14,024,580** | 13,961,745 |

Fully paid ordinary shares have the right to receive dividends as declared and entitle their holder to vote either in person or by proxy at a meeting of the Company.

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value. Accordingly the Company does not have authorised capital or par value in respect of its shares.

| | Number | $ |
|---|---|---|
| *Movement in ordinary shares on issue* | | |
| At 1 July 2011 | **42,731,728** | **13,961,745** |
| Shares issued – 7 March 2012 | **311,153** | **9,335** |
| Shares issued – 18 April 2012 | **500,000** | **15,000** |
| Shares issued – 23 April 2012 | **5,500,000** | **38,500** |
| **At 30 June 2012** | **49,042,881** | **14,024,580** |

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| **(b) Option Reserve** | | |
| Option reserve | **922,217** | 922,217 |
| | **922,217** | 922,217 |

**(c) Nature and purpose of reserves**

The options reserve records items recognised as expenses on valuation of employee and director share options.

**(d) Capital management**

Management controls the capital of the economic entity in order to provide the shareholders with adequate returns and ensure that the economic entity can fund its operations and continue as a going concern.

The Company debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company capital by assessing the Company financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the economic entity since the prior year.

## 12. OPERATING SEGMENTS

The company operated in one geographical segment, being Australia, during the year ended 30 June 2012. The company only operates in one segment, being to identify business opportunities that will assist in adding shareholder value.

## 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise of cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

*Cash flow interest rate risk*

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and short-term deposits. Since the Company does not have any long-term debt obligations, the Company's exposure to this risk is nominal.

*Credit risk*

The Company's policy is to trade only with recognised, creditworthy third parties.

It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Company.

*Liquidity risk*

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and capital raising.

## 14. FINANCIAL INSTRUMENTS

*Fair values*

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements.

The fair values of financial assets have been calculated using market interest rates.

| | *Carrying amount* | | *Fair value* | |
|---|---|---|---|---|
| | **2012**<br>$ | **2011**<br>$ | **2012**<br>$ | **2011**<br>$ |
| *Financial assets* | | | | |
| Cash | **157,592** | 143,231 | **157,592** | 143,231 |
| Trade and other receivables | **5,979** | 5,199 | **5,979** | 5,199 |
| *Financial liabilities on statement of financial position* | | | | |
| Trade and other payables | **279,076** | 184,289 | **279,076** | 184,289 |

### 14. FINANCIAL INSTRUMENTS (continued)

**Interest rate risk**

The following table sets out the carrying amount, by maturity, of the financial instruments:

| **Year ended 30/6/2012** | <1 year $ | >1-<2 years $ | >2-<3 years $ | >3-<4 years $ | >4-<5 years $ | >5 years $ | Total $ | Weighted average effective interest rate % |
|---|---|---|---|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | | | | | |
| *Floating rate* | | | | | | | | |
| **Cash assets** | 157,592 | - | - | - | - | - | 157,592 | 0.10% |
| Weighted average effective interest rate | 0.10% | - | - | - | - | - | - | - |
| *Fixed rate* | | | | | | | | |
| **Trade & other receivables** | 5,979 | - | - | - | - | - | 5,979 | 0.00% |
| Weighted average effective interest rate | 0.00% | - | - | - | - | - | - | - |
| **FINANCIAL LIABILITIES** | | | | | | | | |
| *Fixed rate* | | | | | | | | |
| **Trade & other payables** | 279,076 | - | - | - | - | - | 279,096 | 0.00% |
| Weighted average effective interest rate | 0.00% | - | - | - | - | - | - | - |

| **Year ended 30/6/2011** | <1 year $ | >1-<2 years $ | >2-<3 years $ | >3-<4 years $ | >4-<5 years $ | >5 years $ | Total $ | Weighted average effective interest rate % |
|---|---|---|---|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | | | | | |
| *Floating rate* | | | | | | | | |
| **Cash assets** | 143,231 | - | - | - | - | - | 143,231 | 0.10% |
| Weighted average effective interest rate | 0.10% | - | - | - | - | - | | |
| *Fixed rate* | | | | | | | | |
| **Trade & other receivables** | 5,199 | - | - | - | - | - | 5,199 | 0.00% |
| Weighted average effective interest rate | 0.00% | - | - | - | - | - | 0.00% | |
| **FINANCIAL LIABILITIES** | | | | | | | | |
| *Fixed rate* | | | | | | | | |
| **Trade & other payables** | 184,289 | - | - | - | - | - | 184,289 | 0.00% |
| Weighted average effective interest rate | 0.00% | - | - | - | - | - | | |

## 15. RELATED PARTY DISCLOSURE

**Other transactions with the Company or its controlled entities**

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to Non-Director related entities on an arm's length basis.

The aggregate amount recognised during the year to Specified Directors and Specified Executives and their related entities were as follows:

**Mr A Crimmins**

Amounts outstanding at the year end for directors fees were $15,125 (2011: $25,493).

**Mr R Pritchard**

Amounts outstanding at the year end for directors fees were $15,125 (2011: $13,750).

**Mr A Wild**

Amounts outstanding at the year end for directors fees were $12,375 (2011: Nil).

During the financial year fees payable to directors totalling $nil (2011: $127,750) were settled by a converting loan. Under the terms of the converting loan ordinary shares in the company have been issued to directors in settlement**.**

## 16. EVENTS AFTER THE BALANCE SHEET DATE

The Company announced on 13 August 2012 that it has entered into a Share Sale Agreement with Bligh Mining Pty Ltd and with each of the shareholders of Bligh Mining, to acquire 100% of the shares of Bligh Mining. An extraordinary general meeting of shareholders is to be held on 5 October 2012 to consider and vote on the above matter. (For more details, please refer to ASX announcements dated 13 August 2012 and 4 September 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.

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| **17. AUDITORS' REMUNERATION** | | |
| The auditor of Blackcrest Resources Ltd is RSM Bird Cameron Partners. | | |
| *Amounts received or due and receivable by RSM Bird Cameron Partners for:* | | |
| ▪ An audit or review of the financial report of the entity | **27,000** | 26,000 |
| | **27,000** | 26,000 |

## 18. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the year, 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.

## 19. COMMITMENTS AND CONTINGENCIES

There are no capital or lease commitments and no contingent assets or liabilities since the last annual reporting date.

## 20. KEY MANAGEMENT PERSONNEL

### (a) Details of key management personnel

*(i) Directors*

| | | |
|---|---|---|
| G Cornelsen | (Non Executive Director) | Appointed 20 June 2007, resigned 16 September 2011 |
| A Crimmins | (Non Executive Director) | Appointed 12 May 2010 |
| R Pritchard | (Non Executive Director) | Appointed 23 August 2010 |
| A Wild | (Non Executive Director) | Appointed 16 September 2011 |

*(ii) Company Executives*

The Company did not employ any executives during the year ended 30 June 2012.

**Remuneration of Directors and Named Executives**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2012.

The total remuneration paid to KMP of the Company during the year is as follows:

| | **2012 $** | **2011 $** |
|---|---|---|
| Short-term employee benefits | **46,250** | 81,611 |
| Post-employment benefits | **-** | - |
| | **46,250** | 81,611 |

### (b) Compensation of directors

*Remuneration Philosophy*

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

*Remuneration Committee*

The Company does not have a formal Remuneration Committees. The full Board attends to the matters normally attended to by a Remuneration Committee.

*Director Remuneration*

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of fees is not linked to directors' performance. Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for directors is currently $210,000.

Further, Shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

*Senior Management and Executives*

The Company does not have any senior management or executives, and does not have any employment contracts in place.

### 20. KEY MANAGEMENT PERSONNEL (continued)

**(c) Shareholdings of directors**

*Shares held in the Company (number)*

| 30 June 2012 | *Balance at beginning of period 01-Jul-11* | *Net change Other* | *Balance at date of resignation* | *Balance at 30-Jun-12* |
|---|---|---|---|---|
| G Cornelsen ^ | 295,000 | - | - | 295,000 |
| A Crimmins | 1,788,083 | - | - | 1,788,083 |
| R Pritchard | 2,114,243 | - | - | 2,114,243 |
| A Wild | - | - | - | - |
| **Total** | **4,197,326** | **-** | **-** | **4,197,326** |

| 30 June 2011 | *Balance at beginning of period 01-Jul-10* | *Net change Other* | *Balance at date of resignation* | *Balance at 30-Jun-11* |
|---|---|---|---|---|
| R Kestel | - | - | - | - |
| G Cornelsen ^ | 100,000 | 195,000 | - | 295,000 |
| A Crimmins | 480,000 | 1,308,083 | - | 1,788,083 |
| R Pritchard | - | 2,114,243 | - | 2,114,243 |
| A Broome | - | - | - | - |
| D Bolling | - | - | - | - |
| R Cohen | - | - | - | - |
| **Total** | **580,000** | **3,617,326** | **-** | **4,197,326** |

^ Resigned 16 September 2011

**(d) Option holdings of directors**

| 30 June 2012 | *Balance at beginning of period 01-Jul-11* | *Exercised options* | *Granted as remuneration* | *Net change Other* | *Balance at 30-Jun-12* |
|---|---|---|---|---|---|
| G Cornelsen | - | - | - | - | - |
| A Crimmins | - | - | - | - | - |
| A Wild | | | | | |
| R Pritchard | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

*Options held in the Company (number)*

| 30 June 2011 | *Balance at beginning of period 01-Jul-10* | *Exercised options* | *Granted as remuneration* | *Net change Other* | *Balance at 30-Jun-11* |
|---|---|---|---|---|---|
| R Kestel | - | - | - | - | - |
| G Cornelsen | - | - | - | - | - |
| A Crimmins | - | - | - | - | - |
| A Broome | - | - | - | - | - |
| D Bolling | - | - | - | - | - |
| R Cohen | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

## 20. KEY MANAGEMENT PERSONNEL (continued)

### (e) Other transactions with directors

Other transactions with the Company or its controlled entities

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

The aggregate amount recognised during the year to Specified Directors and Specified Executives and their related entities were as follows:

**Mr A Crimmins**

Amounts outstanding at the year end for directors fees were $17,188 (2011: $25,493).

**Mr R Pritchard**

Amounts outstanding at the year end for directors' fees were $15,125 (2011: $13.7550).

**Mr A Wild**

Amounts outstanding at the year end for directors fees were $12,375 (2011: $Nil).

During the financial year fees payable to directors totalling $nil were settled by a converting loan. Under the terms of the converting loan ordinary shares in the company was issued to directors in settlement.

# DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 16 to 34, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company;

2. in the directors' 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; and

3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

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

**Anthony Crimmins**
Director

4 October 2012

**RSM Bird Cameron Partners**
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## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## BLACKCREST RESOURCES LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of Blackcrest Resources Limited ("the company"), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and 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.

*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. 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 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 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.

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

RSM Bird Cameron Partners

*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 Blackcrest Resources 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 Blackcrest Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2012 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.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the company incurred a net loss of $146,649 and had net cash outflows from operating activities of $230,639 for the year ended 30 June 2012. As at that date the Company's current and total liabilities exceeded its total assets by $111,518. These conditions, along with other matters as set forth in Note 1(b), 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.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 4 to 7 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the Remuneration Report of Blackcrest Resources Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

**RSM BIRD CAMERON PARTNERS**

**C J HUME**
Partner

Sydney, NSW
Dated: 4 October 2012

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is as follows. The information is complete up to 28 August 2012.

### (a) DISTRIBUTION OF EQUITY SECURITIES

Analysis of a number of ordinary fully paid shareholders by size of holding:

| | | | Holders | Units | Percentage |
|---|---|---|---|---|---|
| 1 | - | 1,000 | 523 | 123,369 | 0.25% |
| 1,001 | - | 5,000 | 104 | 279,771 | 0.57% |
| 5,001 | - | 10,000 | 165 | 1,191,578 | 2.43% |
| 10,001 | - | 100,000 | 185 | 7,391,954 | 15.07% |
| 100,001 | - | And over | 81 | 40,056,287 | 81.68% |
| Total on Register | | | 1,058 | 49,042,959 | 100.00% |

There were 885 holders of less than a marketable parcel and they hold 3,379,514 ordinary shares.

### (b) Substantial Shareholders (fully paid shares)

| | Fully Paid Number | Percentage % |
|---|---|---|
| Griffinc Pty Ltd <Griffin Family> | 3,415,698 | 6.96 |
| Kings Park Superannuation Fund <Kings Park Super Fund A/C> | 2,666,666 | 5.44 |

### (c) Twenty largest holders of quoted equity securities (fully paid shares)

| | Fully Paid Number | Percentage % |
|---|---|---|
| Griffinc Pty Ltd <Griffin Family> | 3,415,698 | 6.96 |
| Kings Park Superannuation Fund <Kings Park Super Fund A/C> | 2,666,666 | 5.44 |
| Suburban Holdings Pty Ltd <The Suburban Super Fund A/C> | 1,590,500 | 3.24 |
| Mr Richard Wyn Pritchard | 1,542,815 | 3.15 |
| Mr Michael Desmond Gallagher | 1,440,370 | 2.94 |
| Simon Tritton | 1,333,338 | 2.72 |
| Top Cat Consulting Services Pty Ltd | 1,308,083 | 2.67 |
| NKH PTY LTD <THE NKH A/C> | 1,183,333 | 2.41 |
| Sandyfjord Nominees Pty Ltd | 1,125,000 | 2.29 |
| Merrill Lynch (Australia) Nominees Pty Limited | 974,500 | 1.99 |
| Andrew Lachlan Gebbie & Hilda Margaret Gebbie | 959,302 | 1.96 |
| Nubey Trading Pty Ltd | 943,746 | 1.92 |
| Mr Joseph Charles Camuglia <J C C Investment Account> | 750,000 | 1.53 |
| Armelek Pty Ltd | 730,000 | 1.49 |
| Canemoon Investments Pty Ltd | 730,000 | 1.49 |
| Mr George Sim <Elm Unit A/C> | 729,591 | 1.49 |
| Michael Hermann | 666,666 | 1.36 |
| Mineconnect Pty Ltd | 666,666 | 1.36 |
| W A Halpin Investments Pty Ltd <Halpin Investments Unit A/C> | 610,000 | 1.24 |
| Mr Hao Gia Dang | 571,429 | 1.17 |
| Richard Pritchard + Robert Stock <Midas Super Fund A/C> | 571,428 | 1.17 |
| Mr Gregory Glenn Worth <Worth S/F A/C> | 550,000 | 1.12 |
| | 25,059,131 | 51.10 |

### (d) Voting Rights

All ordinary shares carry one vote per share without restriction.

# ASX ADDITIONAL INFORMATION

### (e) Restricted Securities

The Company has no restricted securities (Held in escrow) on issue.

### (f) Business Objectives

The Company has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.