parker resources NL

ACN 148 142 634

AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2012

Parker Resources NL
ACN 148 142 634
FINANCIAL REPORT

CORPORATE DIRECTORY

Directors

Brian Thomas	Non-Executive Chairman
Jay Stephenson	Non-Executive Director
Philippa Leggat	Non-Executive Director
Adam Davey	Non-Executive Director

Joint Company Secretaries
Julia Beckett
Jay Stephenson

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Share register
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Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone 08 9323 2000
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Auditor
Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005
Telephone 08 9481 3188
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Securities Exchange Listing
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Perth, WA 6000

ASX Code: PKR

Parker Resources NL
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DIRECTORS' REPORT

Your Directors present their report on Parker Resources NL ("the Company") for the year ended 30 June 2012.

Directors

The following persons were Directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

Brian Thomas	Non-Executive Chairman	Appointed 10 January 2011
Paul Davey	Non-Executive Director	Appointed 10 January 2011, resigned 20 August 2012
Jay Stephenson	Non-Executive Director	Appointed 10 January 2011
Philippa Leggat	Non-Executive Director	Appointed 20 October 2011
Adam Davey	Non-Executive Director	Appointed 20 August 2012

Company Secretary

The following persons held the position of Joint Company Secretaries at the end of the financial year:

Ms Julia Beckett holds a Certificate in Governance Practice and Administration and is a Certificated Member of Chartered Secretaries Australia. Julia is a Corporate Governance professional, having worked in corporate administration and compliance for the past 5 years. She has been involved in business acquisitions, mergers, initial public offerings, capital raisings as well as statutory and financial reporting. Julia is currently Company Secretary of Frontier Resources Ltd. She is currently studying with the Chartered Secretaries of Australia.

Mr Jay Richard Stephenson – Master of Business Administration (MBA), Fellow of the Chartered Secretaries Australia (FCIS), Fellow of the Certified Practicing Accountants of Australia (FCPA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD), was appointed as Company Secretary for Parker Resources NL on 10 January 2011.

Principal Activity

The Company is primarily involved in the exploration of uranium and base metals.

Results of Operations

The loss of the Company for the year ended 30 June 2012 amounted to $332,942 (loss for the period 10 January 2011 to 30 June 2011 amounted to $64,963).

During the year ended 30 June 2012, the Company appointed Apex Geoscience Australia Pty Ltd (**Apex**) as its Consultant Geological firm. Field work was completed on the 702 square kilometre Allambi Project located 70 kilometres south-southeast of Alice Springs. Details of the work done by Apex can be found in the Company 30 June 2012 quarterly report.

Significant Changes in the State of Affairs

The Company was successfully listed on the ASX on 23 September 2011 after raising $3,500,000 via the issue of 17,500,000 shares at $0.20 per share.

On 1 June 2011, the Company entered into a farm in agreement with Excelsior Gold Limited (the Vendor) to which the Company was granted the right to acquire up to a 70% interest in the Northern Territory tenement EL 25347. In September 2011, the Company issued 250,000 fully paid ordinary shares to the Vendor in relation to the farm in agreement.

On 20 October 2011, the Company appointed Ms Philippa Anne Leggat to the Board as a Non-Executive Director.

On 20 August 2012, Paul Davey resigned as Non-Executive Director and Adam Davey was appointed as Non-Executive Director of the Company.

No other significant changes in the nature of the Company's activities have occurred during the period.

Dividends Paid or Recommended

No dividends were declared or paid during the period and the Directors do not recommend the payment of a dividend.

DIRECTORS' REPORT

Information on Directors

Brian Thomas	Non-Executive Chairman - Appointed 10 January 2011
Qualifications	**BSc, MBA, SAFin, MAusIMM, MAICD**
Experience	Mr Brian Thomas is a geologist and mineral economist with extensive experience as both an executive and non-executive director of small to mid market capitalisation publicly listed resources companies. He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group. This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector.
Interest in Shares and Options	30,000 ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Current Non-Executive Director of Condoto Platinum NL, Noble Mineral Resources Limited, Potash Minerals Limited, and Strickland Resources Limited. During the past 3 years, he was a Non-Executive Director of Charter Pacific Corporation Limited, Aragon Resources Limited, White Cliff Nickel Limited, Pacific Niugini Limited, and Namibian Copper NL.
Paul Davey	Non-Executive Director – Appointed 10 January 2011, resigned 20 August 2012
Experience	Mr Paul Davey has been a director of R & I Electronics, an electronic service company, since 1985. The company is a key service provider to several major international manufacturers and Paul has overseen the continued growth of the company in Western Australia. He has been pivotal in the transformation of the company over the past two decades to meet shifting industry needs and dynamics.
Interest in Shares and Options	25,000 ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	During the past three years, Mr Davey was a Director of Namibian Copper NL.
Jay Stephenson	Non-Executive Director – Appointed 10 January 2011
Qualifications	**MBA, FCPA, FCIS, CMA, MAICD**
Experience	Jay Stephenson is a qualified accountant and has been in business development for over 20 years. During this time, he has served as director, CFO and company secretary for both listed and unlisted entities in the resources, manufacturing, wine, hotel and property sectors. He has substantial experience in corporate transactions and managing all areas of finance.
Interest in Shares and Options	20,000 ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Mr Stephenson is currently a director of Aura Energy Limited, Drake Resources Limited, Doray Minerals Limited, Quintessential Resources Limited, Nickelore Limited, Strategic Minerals Corporation NL and Spencer Resources Limited.

DIRECTORS' REPORT

Information on Directors

Philippa Leggat	Non-Executive Director – Appointed 20 October 2011
Qualifications	**Bachelor of Arts in Jewellery and Gemmology** **Bachelor of Commerce in Financial Management**
Experience	Philippa is a director of Legate ICT Consulting (Pty) Ltd in South Africa, a company specialising in information governance, security and privacy. Philippa is an Affiliate Member of the Australian Institute of Company Directors. In the last 5 years Philippa has been involved in raising development and construction finance, numerous due diligence projects and corporate governance work for both the Public and Private sectors. Her work as a Management Consultant has largely focused on corporate strategy and business improvement, her most recent projects have included creating Physical Asset Management strategies for the South African Divisions of two of the major resource companies.
Interest in Shares and Options	Nil ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	None

Adam Davey	Non-Executive Director – Appointed 20 August 2012
Qualifications	**Professional Diploma in Stockbrokering**
Experience	Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of a number of industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the non-for-profit organisation Teen Challenge Foundation.
Interest in Shares and Options	520,000 ordinary shares 4,000,000 party paid shares 250,000 options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	None

DIRECTORS' REPORT

Director Meetings

The number of Directors' meetings and meetings of Committees of Directors held during the year and the number of meetings attended by each of the Directors of the Company during the year are:

	Directors' Meetings	
Name	**Number attended**	**Number eligible to attend**
Brian Thomas	6	6
Paul Davey	6	6
Jay Stephenson	5	6
Philippa Leggat	6	6

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of the Company, and Key Management Personnel ("KMP").

A. Key Management Personnel Remuneration Policy

The remuneration policy of the Company has been designed to align Director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and Directors to run and manage the Company, as well as create goal congruence between Directors, Executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board. All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

The Non-executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate Non-executive Directors at commercial market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non- Executive Directors are not linked to the performance of the Company.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

A. Key Management Personnel Remuneration Policy

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and Executives' interests in shares and options at year end, refer to Note 6 of the financial statements.

B. Remuneration

Details of the nature and amount of each element of the emoluments of each of the KMP of the Company (the Directors) for the year/period ended 30 June 2012 and 30 June 2011 are set out in the following tables:

For the year ended 30 June 2012

	Short-term benefits		Post-employment benefits	Equity			
	Salary and fees	Other benefits	Superannuation	Share-based payment options	Other payments[1]	Total	Performance - based
Name	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Directors:							
Brian Thomas	46,333	1,625	900	-	-	48,858	-
Paul Davey	23,167	1,625	450	-	-	25,242	-
Jay Stephenson	23,167	1,625	450	-	101,120	126,362	-
Philippa Leggat	20,887	1,625	450	-	-	22,962	-
Adam Davey	-	-	-	-	-	-	-
	113,554	6,500	2,250	-	101,120	223,424	-

* Jay Stephenson is a Director of Wolfstar Group Pty Ltd ("Wolfstar") and Wolfstar Corporate Management Pty Ltd ("WCM"). For details of all agreements refer to the following note.
[1] Refer to Service Agreements for details of other payments.

For the period ended 30 June 2011

	Short-term benefits		Post-employment benefits	Equity			
	Salary and fees	Other benefits	Superannuation	Share-based payment options	Other payments[1]	Total	Performance - based
Name	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Directors:	-	-	-	-	-	-	-
Brian Thomas	-	-	-	-	-	-	-
Paul Davey	-	-	-	-	-	-	-
Jay Stephenson	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)
C. Service Agreements

Service agreement with Wolfstar Group Pty Ltd
On 20 June 2011, the Company engaged Wolfstar Group Pty Ltd ("Wolfstar Group") for a minimum period of 4 months (or such longer period as the parties may agree) effective from May 2011 to act as manager of its initial public offering ("IPO"), and to provide financial and corporate advice and assistance in connection with the IPO. Wolfstar Group is a related party of the Company by virtue of it being controlled by Jay Stephenson.

In consideration for the services provided, Wolfstar Group is entitled to a monthly retainer of $6,000 (plus GST) for a maximum of six months prior to the IPO. The Company will reimburse Wolfstar Group for all reasonable out-of-pocket expenses incurred including, but not limited to, printing, courier, travel and of any other advisers and consultants which may be required.

This service agreement may be terminated by the Company by 7 days' notice at any time.

The Company incurred fees of $31,575 during the financial year ended 30 June 2012 (2011: nil) and the balance owing at 30 June 2012 was nil (2011: nil).

Service agreement with Wolfstar Corporate Management Pty Ltd
On 20 June 2011, the Company engaged Wolfstar Corporate Management Pty Ltd ("WCM") to appoint Jay Stephenson as Chief Financial Officer ("CFO") and Company Secretary with effect from the Company's date of quotation on ASX Limited. WCM is a related party of the Company by virtue of it being controlled by Jay Stephenson.

In consideration for the services provided, WCM is entitled to a monthly fee of $7,500 (plus GST). The Company will reimburse WCM for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure which may be required.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

The Company incurred fees of $69,545 during the financial year ended 30 June 2012 (2011: nil) and the balance owing at 30 June 2012 was $8,250 (2011: nil).

D. Options issued as part of remuneration for the year ended 30 June 2012.
No options were granted to the Directors during the year ended 30 June 2012.

E. Equity instruments issued on exercise of remuneration options
There were no equity instruments issued during the year to Directors or other KMP as a result of options exercised that had previously been granted as compensation.

F. Loans to Directors and Executives
No loans have been made to Directors or Executives of the Company during, or since, the year ended 30 June 2012.

G. Company performance, shareholder wealth and Directors' and Executives' remuneration
The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. This will be facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

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

Shares under option
Unissued ordinary shares of Parker Resources NL under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
30 November 2014	$0.20	1,000,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Environmental Regulations
The Company has entered into Agreements to acquire various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to rehabilitation of areas disturbed during the course of exploration activities. However the Board believes that it has adequate systems in place for management of its environmental requirements as they apply to the Company.

The Directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

Significant events after the reporting date
There have been no significant events arising after the reporting date.

Indemnification and insurance of Directors and Officers
The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium of $6,500 in respect of a contract insuring the Directors and Officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

DIRECTORS' REPORT

Proceedings on Behalf of the 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 period.

Non-audit Services

Stantons International has not provided any non-audit services during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 11 of the financial report.

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

Jay Stephenson
DIRECTOR
Dated at Perth 7 September 2012

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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7 September 2012

Board of Directors
Parker Resources NL
Level 4, 66 Kings Park Road
WEST PERTH WA 6005

Dear Directors

RE: PARKER RESOURCES NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Parker Resources NL.

As Audit Director for the audit of the financial statements of Parker Resource NL 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.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren
Director

Parker Resources NL
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	30 June 2012	10 Jan 11 – 30 June 2011
		$	$
Revenue – interest income		107,028	37
Accounting fees		(69,545)	-
Audit fees		(15,013)	(5,000)
ASX fees		(727)	-
Directors' fees		(113,554)	-
Donations		-	(60,000)
Employees' benefits		(10,220)	-
Exploration expenditure written off	**11**	(185,731)	-
Share registry fees		(12,721)	-
Insurance		(6,923)	-
Other administration expenses		(25,536)	-
Loss before income tax		(332,942)	(64,963)
Income tax expense	**4**	-	-
Loss for the year/period		(332,942)	(64,963)
Other comprehensive income		-	-
Total comprehensive loss for the year/ period attributable to members of the Company		(332,942)	(64,963)
Basic and diluted loss per share (cents)	**8**	(2.38)	(22.31)

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

Parker Resources NL
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 $	2011 $
Current assets			
Cash and cash equivalents	**9**	2,922,660	130,840
Other receivable	**10**	82	-
Prepayment		577	-
Total current assets		2,923,319	130,840
Non-current assets			
Exploration and evaluation expenditure	**11**	-	-
Total non-current assets		-	-
Total assets		2,923,319	130,840
Current liabilities			
Trade and other payables	**12**	49,805	147,000
Total current liabilities		49,805	147,000
Total liabilities		49,805	147,000
Net assets/(liabilities)		2,873,514	(16,160)
Equity			
Issued capital	**13**	3,166,119	48,803
Reserves	**14**	105,300	-
Accumulated losses		(397,905)	(64,963)
Total equity/(deficiency)		2,873,514	(16,160)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 10 January 2011	-	-	-	-
Loss attributable to members of the Company	-	-	(64,963)	(64,963)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(64,963)	(64,963)
Transactions with owners, recognised directly in equity				
Shares issued during the period, net of costs	48,803	-	-	48,803
Balance at 30 June 2011	48,803	-	(64,963)	(16,160)
Balance at 1 July 2011				
Loss attributable to members of the Company	48,803	-	(64,963)	(16,160)
Other comprehensive income	-	-	(332,942)	(332,942)
Total comprehensive loss for the year	-	-	(332,942)	(332,942)
Transactions with owners, recognised directly in equity				
Shares issued during the year, net of costs	3,117,316	-	-	3,117,316
Options issued during the year	-	105,300	-	105,300
Balance at 30 June 2012	3,166,119	105,300	(397,905)	2,873,514

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	30 June 2012 $	10 Jan 11 – 30 June 2011 $
Cash flows from operating activities			
Payments to suppliers and employees		(241,595)	(3)
Interest received		107,028	40
Net cash (used in)/from operating activities	**15**	(134,567)	37
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(111,229)	-
Net cash used in investing activities		(111,229)	-
Cash flows from financing activities			
Proceeds from issue of shares		3,377,000	803
Capital raising costs paid		(339,384)	-
Proceeds from loans		-	130,000
Net cash from financing activities		3,037,616	130,803
Net increase in cash and cash equivalents		2,791,820	130,840
Cash and cash equivalents at the beginning of the financial year/period		130,840	-
Cash and cash equivalents at the end of financial year/period	**9**	2,922,660	130,840

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 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 the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars, which is the Company's functional currency.

The Company is a listed public company, incorporated in Australia and operating in Australia. The Company is primarily involved in the exploration of uranium and base metals.

(i) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(ii) Statement of Compliance

The financial report was authorised for issue on 7 September 2012.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(iii) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

(iii) Critical accounting estimates and judgements

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Recognition of deferred tax assets

Deferred tax assets relating to temporary differences and unused tax losses have not been recognised as the Directors are of the opinion that it is not probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

(b) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

(e) Revenue

Interest

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

(f) Goods and Services Tax (GST)

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(h) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(i) Employee Benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Exploration and Evaluation Assets

Exploration and evaluation costs, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs of acquiring licences which are pending the approval of the Department of Mines and Petroleum as at the date of reporting are capitalised as exploration and evaluation cost if in the opinion of the Directors it is virtually certain the Company will be granted the licences.

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or

ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

iii) Sufficient data exists to determine technical feasibility and commercial viability, and

iv) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy in Note 3(c)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(k) Financial Instruments

Initial recognition and 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 transactions 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 profit or loss immediately. Financial instruments are classified and measured as set out below.

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity. Such assets are recognised initially at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity 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 expired. 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 profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(m) Earnings Per Share

Basic earnings per share

Basic earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares, which comprise convertible notes and share options granted.

(n) Borrowing Costs

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

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

(o) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(p) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are regularly reviewed by the Company's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(q) Share based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

NOTE 2: DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Share-based payment transactions

The fair value of the employee share options and the share appreciation right is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTE 3: LOSS BEFORE INCOME TAX

		30 June 2012	10 Jan 2011 – 30 June 2011
(a) Significant revenues and expenses		**$**	**$**
The following significant revenue and (expense) items are relevant in explaining the financial performance:			
-	Interest revenue	107,028	37
-	Audit fees	(15,013)	(5,000)
-	Donations (Note 13)	-	(60,000)
-	Directors fees	(113,554)	-
-	Exploration expenditure written off	(185,731)	-

NOTE 4: INCOME TAX EXPENSE	30 June 2012	10 Jan 2011 – 30 June 2011
Reconciliation between tax expense and pre-tax loss:		
Accounting loss before income tax	(332,942)	(4,963)
Tax at the domestic income tax rate of 30%	(99,883)	(1,489)
Temporary differences	6,703	-
Capital raising costs	(26,681)	-
Share-based payments	15,000	-
Tax losses not recognised	104,861	1,489
Income tax benefit	-	-
Unrecognised temporary differences		
Deferred tax assets (at 30%)		
Unused tax losses carried forward	106,350	1,489
Temporary difference	6,703	-
Capital raising cost	106,724	-
Potential benefit @ 30%	219,777	1,489

There are no deferred tax liabilities recognised or unrecognised.

All unused tax losses were incurred in Australia.

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

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

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

(iii) No changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other than transactions with Key Management Personnel and their related entities (refer Note 6), there were no other related party transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel ("KMP")

Names and positions held of KMP in office at any time during the year are:

Directors:

Brian Thomas	Non-Executive Chairman	Appointed 10 January 2011
Paul Davey	Non-Executive Director	Appointed 10 January 2011, resigned 20 August 2012
Jay Stephenson	Non-Executive Director	Appointed 10 January 2011
	Joint Company Secretary	Appointed 10 January 2011
Philippa Leggat	Non-Executive Director	Appointed 20 October 2011
Adam Davey	Non-Executive Director	Appointed 20 August 2012

The totals of remuneration paid to key management personnel during the year/period are as follows:

(b) KMP compensation

	30 June 2012 $	10 Jan 2011 – 30 June 2011 $
Short-term benefits	120,054	-
Post employment benefits	2,250	-
Other payments	101,120	-
	223,424	-

(c) Equity instruments disclosure relating to KMP

The number of shares held by Directors and KMP of the Company during the year ended 30 June 2012, including their personally related parties, are set out below:

Shares

Name	Balance at 1 July 2011	Granted as compensation	Options Exercised	Bought & (Sold)	Balance at 30 June 2012
Brian Thomas	-	-	-	10,000	10,000
Indirect [1]	-	-	-	20,000	20,000
Paul Davey	-	-	-	25,000	25,000
Jay Stephenson	-	-	-	-	-
Indirect [2]	-	-	-	20,000	20,000
Philippa Leggat	-	-	-	-	-
Total	**-**	**-**	**-**	**75,000**	**75,000**

KMP held no shares in the Company during the period 10 January 2011 to 30 June 2011.

[1] These shares are held by the following personally related parties of Brian Thomas:

- S M Schlink (Hensman Family Account)
- B D Thomas and S M Schlink (K&B Super Fund)

[2] These shares are held by the following personally related parties of Jay Stephenson:

- Pazzia Pty Ltd
- Wolfstar Group Pty Ltd

KMP held no options in the Company at 30 June 2012 and 2011.

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

(d) Loans to KMP

There were no loans made to or from KMP of the Company during the year ended 30 June 2012 and the period 10 January 2011 to 30 June 2011. Adam Davey, who was appointed as Director of the Company subsequent to the year end had a loan to the Company of $65,000 at 30 June 2011. That loan was repaid by the issuance of shares on 19 September 2011.

(e) Other transactions with KMP

There have been no other transactions with KMP involving equity instruments other than those described in the table above.

	30 June 2012	10 Jan 2011 – 30 June 2011
NOTE 7: AUDITOR'S REMUNERATION	**$**	**$**
Details of the amounts paid to the auditor of the Company, Stantons International Audit and Consulting Pty Ltd and its related practices for audit and non-audit services provided during the year are set out below:		
Remuneration of the auditor of the Company for:		
Auditor's services		
Audit and review of financial reports	15,013	5,000

NOTE 8: BASIC AND DILUTED LOSS PER SHARE	**2012**	**2011**
	$	**$**
Basic and diluted loss per share (cents)	(2.38)	(22.31)
Loss attributable to members of Parker Resources NL	(332,942)	(64,963)
Weighted average number of shares outstanding during the year/period	13,969,866	291,228

The Company is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, ordinary share capital in respect of potential ordinary shares would lead to a diluted earnings per share that shows an inferior view of the earnings per share. For this reason, the diluted loss per share for the year/period ended 30 June 2012 and 2011 are the same as basic loss per share.

NOTE 9: CASH AND CASH EQUIVALENTS		
Cash at bank	2,922,660	130,840
Total cash and cash equivalents in the Statement of Cash Flows	2,922,660	130,840

NOTE 10: OTHER RECEIVABLE		
CURRENT		
Net GST receivable	82	-

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE	Note	2012	2011
Exploration at cost		$	$
Balance at the beginning of the year		-	-
Acquisition of tenement	13(b)	50,000*	-
Exploration of tenement		135,731	-
Exploration expenditure written off		(185,731)	-
Balance at end of the year/period		-	-

* This represents 250,000 shares issued to Excelsior Gold Limited in September 2011 as consideration for the 70% interest in the Northern Territory tenement EL25347 in relation to the farm in agreement.

NOTE 12: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	19,961	-
Accrued expenses	24,594	17,000
Other payables	5,250	-
Loans	-	130,000
Balance at end of the year/period	49,805	147,000

The loans were repaid during the year through the issue of 650,000 shares at $0.20 each.

NOTE 13: ISSUED CAPITAL	Note	Number	$
(a) Issued and paid up capital			
18,050,003 (2011: 300,003) fully paid ordinary shares		18,050,003	3,165,319
8,000,000 (2011: 8,000,000) partly paid ordinary shares		8,000,000	800
Total issued capital			3,166,119

(b) Movements in fully paid ordinary shares

	Note	Date	Number	$
Balance at date of incorporation		10 January 2011	-	-
Shares issued at $1.00		10 January 2011	3	3
Shares issued at $0.20 (i)	3(a)	24 June 2011	300,000	60,000
Capital raising costs				(12,000)
Balance at the end of the period		30 June 2011	300,003	48,003
Balance at the beginning of the year		1 July 2011	300,003	48,003
Shares issued at $0.20 (ii)		23 Sept 2011	17,500,000	3,500,000
Shares issued at $0.20 (iii)	11	16 Sept 2011	250,000	50,000
Capital raising costs			-	(432,684)
Balance at the end of the year		30 June 2012	18,050,003	3,165,319

(i) Shares issued to charities for no cost to the charity but have been accounted at a nominal $0.20 per share.
(ii) Shares issued upon listing on the ASX on 23 September 2011.
(iii) Shares issued to Excelsior Gold Limited in relation to Farm-In and Joint Venture Agreement entered in June 2011 to acquire 70% interest in the Northern Territory Allambi Project (tenement EL25347).

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

NOTE 13: ISSUED CAPITAL

(c) Movements in partly paid shares

	Date	Number	$
Balance at date of incorporation	10 January 2011	-	-
Partly paid shares issued at $0.0001 (iv)	24 June 2011	8,000,000	800
Balance at the end of the period	30 June 2011	8,000,000	800
Balance at the beginning of the year	1 July 2011	8,000,000	800
Balance at the end of the year	30 June 2012	8,000,000	800

(iv)These partly paid shares were issued to promoters of the Company.

Partly paid shares allotted to the holder will participate in all issues of securities (including issues of shares, options and convertible notes) made to shareholders of the Company pro-rata to the proportion of the total issue price paid up. Upon becoming fully paid, each partly paid share will rank equally in all respects with the other issued fully paid ordinary shares in the Company. Dividends may be declared in respect of any of the partly paid shares notwithstanding that the issue price of such partly paid shares has not been paid in full. The partly paid shares will participate in any dividends on the same basis as if the partly paid shares were fully paid. The holder will be entitled to exercise any vote attaching to a partly paid share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro-rata to the proportion of the total issue price paid up. The uncollected unpaid is $1,599,200.

(d) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Company consists of equity comprising issued capital, reserves and accumulated losses.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is to maintain sufficient current working capital position to meet the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June is as follows:

	2012	2011
	$	$
Cash and cash equivalents	2,922,660	130,840
Other receivables	82	-
Trade and other payables	(49,805)	(147,000)
	2,872,937	(16,160)

The Company is not subject to any externally imposed capital requirements.

NOTE 14: RESERVES

Nature and purpose of reserves

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

Movements in options issued

	Date	Number	$
Balance at date of incorporation	10 January 2011	-	-
Balance at the end of the period	30 June 2011	-	-
Balance at the beginning of the year	1 July 2011	-	-
Options issued to broker	23 Sept 2011	1,000,000	105,300
Balance at the end of the year	30 June 2012	1,000,000	105,300

The values of options issued during the year were calculated applying the following inputs:

	Broker Options
Number of options issued	1,000,000
Exercise price	$0.20
Valuation date	23 September 2011
Expiry date	30 November 2014
Market price of shares at grant date	$0.20
Expected share price volatility	75%
Risk-free interest rate	3.75%
Valuation per option	$0.1053

NOTE 15: CASH FLOW INFORMATION

	30 June 2012	10 Jan 2011 – 30 June 2011
Reconciliation of cash flow (used in)/from operating activities to loss after income tax	**$**	**$**
Loss after income tax	(332,942)	(64,963)
Adjustments for:		
Charitable donations	-	60,000
Exploration expenditure written off	185,731	-
Changes in assets and liabilities		
Increase in other receivables	(82)	-
Increase in prepayment	(577)	-
Increase in trade and other payables	13,303	5,000
Cash flow (used in)/from operating activities	(134,567)	37

NOTE 15: CASH FLOW INFORMATION

Non Cash Financing and Investing Activities

(i) The Company issued 250,000 shares at $0.20 each to Excelsior Gold Limited in relation to a Farm-In and Joint Venture Agreement.

(ii) The Company issued 650,000 shares at $0.20 each for the repayment of loans totaling $130,000.

NOTE 16: OPERATING SEGMENTS

The accounting policies used by the Company in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

The Company has identified its operating segments based on the internal reports that are provided to the Board of Directors. There are a number of exploration projects located in Northern Territory at various stages of development. According to AASB 8 *Operating Segments*, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type or class of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- If applicable, the nature of the regulatory environment, for example; banking, insurance and public utilities.

Management has identified that all projects in Australia have similar economic characteristics and are similar in nature taking into account each of the above mentioned aspects. The principal activity for all projects is exploration of uranium and base metals. Each project is likely to have the same methods to distribute the resources in future and the nature of the regulatory environment which is Australia, is the same for each project. Accordingly, management has identified one operating segment based on the location of the projects, that being Australia.

NOTE 17: FINANCIAL RISK MANAGEMENT

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Company holds the following financial instruments:

	2012	2011
Financial assets	**$**	**$**
Cash and cash equivalents	2,922,660	130,840
Trade and other receivables	82	-
Financial liabilities		
Trade and other payables	(49,805)	(147,000)
	2,872,937	(16,160)

The fair value of the Company's financial assets and liabilities approximate their fair value.

NOTE 17: FINANCIAL RISK MANAGEMENT

(a) Market risk

The Company is exposed to interest rate risk that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(b) Credit risk

Credit exposure represents the extent of credit related losses that the Company may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables. The objective of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Statement of Financial Position.

The credit quality of the financial assets was high during the period. The table below details the credit quality of the financial assets at the end of the period:

Financial assets	Credit Quality	2012 $	2011 $
Cash and cash equivalents held at Westpac Bank			
- Interest-bearing deposit	High	2,922,660	130,840
Other receivables	High	82	-
		2,922,742	130,840

Impairment losses

There are no past due receivables for the Company.

(c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the Company is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Company aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Company did not have access to any undrawn borrowing facilities at the reporting date.

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

As at 30 June 2012	Carrying Amount	Contractual Cash flows	<3 months	3-6 months	6-24 months
Trade and other payables	49,805	49,805	49,805	-	-

As at 30 June 2011	Carrying Amount	Contractual Cash flows	<3 months	3-6 months	6-24 months
Trade and other payables	17,000	17,000	17,000	-	-
Loans	130,000	130,000	-	-	130,000

NOTE 17: FINANCIAL RISK MANAGEMENT

(d) Cash flow and fair value interest rate risk

From time to time the Company has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Company's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is below.

	Floating interest rate	Non-interest bearing	2012 Total	Floating interest rate	Non-interest bearing	2011 Total
Financial Assets	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	2,922,660	-	2,922,660	130,840	-	130,840
Other receivables	-	82	82	-	-	-
	2,922,660	82	2,922,742	130,840	-	130,840
Weighted average interest rate for the year	3.75%			4.31%		
Financial Liabilities						
Trade and other payables	-	49,805	49,805	-	17,000	17,000
Loans	-	-	-	-	130,000	130,000
	-	49,805	49,805	-	147,000	147,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Company's equity and profit or loss by $29,227 (2011: $1,308).

(e) Financial risk management

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not speculate in the trading of derivative instruments.

(f) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

NOTE 18: COMMITMENTS

Exploration expenditure commitments

The Company has no commitments as at 30 June 2012. On 1 June 2011, the Company entered into a farm in agreement with Excelsior Gold Limited (the Vendor) to which the Company has been granted the right to acquire up to a 70% interest in the Northern Territory tenement EL 25347. The Company reimbursed the Vendor $20,328 and issued to the Vendor 250,000 shares in the Company during the year. The farm in agreement has been subject to the Company being admitted to the Official List of the ASX, a condition satisfied by the Company on 23 September 2011. The Company may sole fund $250,000 over a 2 year period to earn a 51% interest in the joint venture or may spend a further $150,000 within a third year period to earn an added 19% interest (to 70%).

NOTE 19: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2012 and 2011.

NOTE 20: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no significant events arising subsequent to the reporting date.

NOTE 21: COMPANY DETAILS

The registered and principal office of the Company is:

Level 4, 66 Kings Park Road
West Perth WA 6005

Telephone 08 6141 3500
Facsimile 08 6141 3599
Website: www.parkerresources.com.au
Email: info@parkerresources.com.au

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Parker Resources NL ('the Company'):

   (a) the financial statements and notes and the Remuneration Report in the Directors' Report, set out on pages 6 to 33, are 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 financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a);

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

2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Financial Officer for the financial year ended 30 June 2012.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Jay Stephenson
DIRECTOR
Dated at Perth on 7 September 2012.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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West Perth WA 6872
Australia

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Australia

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PARKER RESOURCES NL

Report on the Financial Report

We have audited the accompanying financial report of Parker Resources NL, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Parker Resources NL 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 of the Company also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 9 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 Parker Resources NL for the year ended 30 June 2012 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
7 September 2012

CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Parker Resources NL ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Promote ethical and responsible decision-making;
4 Safeguard integrity in financial reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of shareholders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Management should establish and disclose functions reserved to the Board and delegated to management.*

Roles and Responsibilities:

The roles and responsibilities carried out by the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

Recommendation 1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the period.

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors.* - All Directors are independent. Refer general comment below.

Recommendation 2.2: *The Chairperson should be an independent Director.* – The Chairman is independent. Refer general comment below.

Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*

Recommendation 2.4: *Establishment of a nominations committee.*

Recommendation 2.5: *Disclose the process for performance evaluation of the Board, its committees and individual directors, and key executives.*

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

General Comments:

Membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of four non-executive Directors. Refer to the Directors' Report for details of each Director's profile. The majority of the Board is independent.

Chairman and Managing Director

The Company does not have a Managing Director. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level.

Nomination Committee

The Company has a formal charter for the Nomination Committee, and all members of the board have been appointed to the Committee.

Skills

The Directors bring a range of skills and background to the Board including Geology, Accounting, and Finance.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board endeavours to meet at least bi-monthly on a formal basis, although the board regularly meets informally.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 The practices necessary to maintain confidence in the Company's integrity;

3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;

3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

Recommendation 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.*

The Company has a diversity policy included in its Corporate Governance Policy.

Recommendation 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.*

The Company believes that the promotion of diversity on boards, in senior management and within the organisation generally broadens the pool for recruitment of high quality directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

The Company is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the Company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Company. Diversity within the Company means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.

Recommendation 3.4: *Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently there is one woman on the board but there are no women employees in the whole organisation or in senior executive positions. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

Recommendation 3.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its Share Trading Policy will be included on the Company's website.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The Board should establish an audit committee.*

Recommendation 4.2: *Structure the audit committee so that it consists of:*

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.3: *The Audit Committee should have a formal charter. – Refer to Recommendation 4.1.*

General Comments:

Integrity of Company's Financial Condition

The Company's Financial Controller and Company Secretary report in writing to the Board that the financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results in accordance with relevant accounting standards.

Audit Committee

The Company has a formal charter for an Audit Committee. The Audit Committee comprises the entire board. The Audit Committee:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

The Chairperson of the Audit Committee is Mr Jay Stephenson. The Company has determined that Mr Stephenson is the most suitable director to chair the Audit Committee due to his competency in corporate governance, accounting and finance and the limited size of the Board.

5. Make timely and balanced disclosure.

Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules that the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders receive a copy of the Company's annual report.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

General Comments:

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Stantons International Audit and Consulting Pty Ltd, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The Board or appropriate Board committee should establish policies on risk oversight and management.*

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 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 system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

General Comments:

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

The Chief Financial Officer/Company Secretary state in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

General Comments:

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The Remuneration Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

CORPORATE GOVERNANCE STATEMENT

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee

Members of the Remuneration Committee are the Board members.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report and Note 6 to the financial statements.

Departure from Best Practice Recommendations

From the Company's incorporation, the Company complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1 Shareholding as at 7 September 2012

(a) Distribution of Shareholders

Category (size of holding)	Number of Shareholders
1 – 1,000	4
1,001 – 5,000	1
5,001 – 10,000	178
10,001 – 100,000	202
100,001 – and over	31
	416

(b) The number of shareholdings held in less than marketable parcels is 4.

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 7 September 2012

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Inswinger Holdings Pty Ltd <Keidon Superannuation A/C>	750,000	4.16
2.	Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <De Souza Super Fund A/C>	593,262	3.29
3.	Mr Peter Leuzzi	590,000	3.27
4.	Court Securities Pty Ltd	500,000	2.77
5.	Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <A & E Jenzen P/L No2 S/F A/C>	500,000	2.77
6.	Palace Trading Investments Ltd	500,000	2.77
7.	Mr Robert John Peters + Mrs Sandra Lillian Peters <Peters Super Fund A/C>	500,000	2.77
8.	Second Impact Investments Limited	500,000	2.77
9.	WB Nominees Limited	500,000	2.77
10.	Goldenwing Nominees Pty Ltd <The Robinson Family A/C>	375,000	2.08
11.	Excelsior Gold Limited	250,000	1.39
12.	Ferncastle Holdings Pty Ltd <N J Pinner Super Fund A/C>	250,000	1.39
13.	Mr Michael Frank Manford <Atlo Super Fund A/C>	250,000	1.39
14.	Mimo Strategies Pty Ltd <Mimo A/C>	250,000	1.39
15.	Sgian Dubh Pty Ltd	250,000	1.39

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

16.	Trindis Pty Ltd	250,000	1.39
17.	Vynben Pty Ltd <Mark Hohnen Super Fund A/C>	250,000	1.39
18.	Mr David Arthur Paganin <Da Paganin Family No 2 A/C>	235,000	1.30
19.	Mrs Sharon Giles	210,000	1.16
20.	Mr Brian Keith Slater	160,000	0.89
		7,663,262	**42.46**

2 The names of the Joint Company Secretaries are Julia Beckett and Jay Stephenson.

3 The address of the principal registered office in Australia is Level 4, 66 Kings Park Road West Perth WA 6005. Telephone (08) 6141-3500

4 Registers of securities are held at the following addresses

Computershare Investor Services Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000

5 Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6 Unquoted Securities

Options over Unissued Shares

A total of 1,000,000 options over unissued shares are on issue to brokers.

7 Use of Funds

The Company has used its funds in accordance with its initial business objectives.

TENEMENT SCHEDULE

Project Area	Tenement Numbers
Allambi	EL25347