ERIN RESOURCES

ABN 30 116 800 269

ANNUAL REPORT 2013

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CORPORATE DIRECTORY

DIRECTORS

Brett Mitchell
Non-Executive Chairman

Nick Poll
Managing Director

Grant Davey
Non-Executive Director

COMPANY SECRETARY

Rachel Jelleff

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 7, 1008 Hay Street, Perth WA 6000
Telephone: +61 8 9389 2000 Facsimile: +61 8 9389 2099

AUDITORS

PKF Mack & Co
Level 4, 35 Havelock Street, West Perth WA 6005
Telephone: +61 8 9426 8999 Facsimile: +61 8 9426 8900

SOLICITORS

Steinepreis Paganin Lawyers
Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000
Telephone: +61 8 9321 4000 Facsimile: +61 8 9321 4333

SHARE REGISTRAR

Computershare Investor Services Pty Limited
ABN 48 078 279 277
Level 2, Reserve Bank Building, 45 St Georges Tce, Perth WA 6000
Telephone: 1300 787 272 Facsimile: +61 8 9323 2033

STOCK EXCHANGE LISTING

Erin Resources Limited shares and options are listed on the Australian Stock Exchange (ASX)

Code 'ERI' for ordinary shares
Code 'ERIOB' for listed options

WEBSITE

www.erinresources.com.au

The Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2013.

Directors

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

Director	Title	Appointment Date	Resignation Date
Brett Mitchell	Non-Executive Chairman	4 April 2013	-
Nick Poll	Managing Director	4 April 2013	-
Grant Davey	Non-Executive Director	21 June 2012	-
Jim Malone	Non-Executive Chairman	30 June 2011	4 April 2013
Jason Davis	Non-Executive Director	14 May 2010	25 September 2012
Robert Besley	Non-Executive Director	14 September 2012	4 April 2013
David Chapman	Non-Executive Director	30 March 2011	14 September 2012

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

Company Secretary

Rachel Jelleff held the position of Company Secretary for the full financial year.

Principal Activities

During the year the Company completed its acquisition of Erin Mineral Resources Limited and is now a gold focused exploration company with 7 projects in Senegal.

Operating Results

The consolidated loss of the group amounted to $766,897 (2012: $290,880).

Dividends Paid or Recommended

No dividends have been paid or declared for payment during, or since, the end of the financial year.

Review of Operations

- **Acquisition of Erin Mineral Resources Ltd completed in August 2012**
- **Completion of Exploration Drilling Programs on Senegalese Projects in year ended June 2013**
- **Confirmation of significant gold resource potential with initial discoveries on the Bouroubourou projects**
- **Extension of 65km^2 to the Bouroubourou permit granted, adding 3km strike length along trend from the Company's discoveries at Maleko and Berola**
- **Changes to the Board and Management Team**

Exploration Success at Bouroubourou

In late April 2013, the Company announced two new gold discoveries at Maleko and Berola on the Bouroubourou, which included intersections up to 7m @ 10.41g/t gold. The project is one of the Company's 7 exploration assets in Senegal, and lies within the Kedougou Inlier, where over 30 million ounces have been discovered in the last 10 years. These discoveries were made after a 17 hole RC drilling program (2,500m) was completed.

These initial drilling results from Bouroubourou are analogous to the mineralisation and early stage exploration results recorded at nearby significant gold discoveries in the Kedougou Inlier. The Kedougou Inlier has been the source of approximately 30m oz of discoveries in the past 10 years.

Review of Operations (continued)

Erin holds 640km^2 of exploration permits in Senegal and a portfolio of 7 strategically located permits (Figure 4). There are 3 multi-million ounce gold deposits that have recently been discovered within 15 kilometers of Erin's projects: being the Masawa (3.6m oz), Petowal (1.6m oz) and Oromin (3.7m oz) projects.

All the Company's projects lie within the Kedougou inlier that extends over eastern Senegal and along the country's western border with Mali.

About 30M oz of gold has been discovered in Senegal over the last 10 years and the Kedougou inlier hosts over 45M oz of gold in resources. This inlier forms a part of the Birimian shield, which covers most of West Africa and hosts over 280M oz of gold.

Senegal only recently commenced industrial scale gold mining the first commercial and production at Sabodala mine in 2009. The country's mining code, introduced in 2003, is based on mining codes found in Australia and Canada.

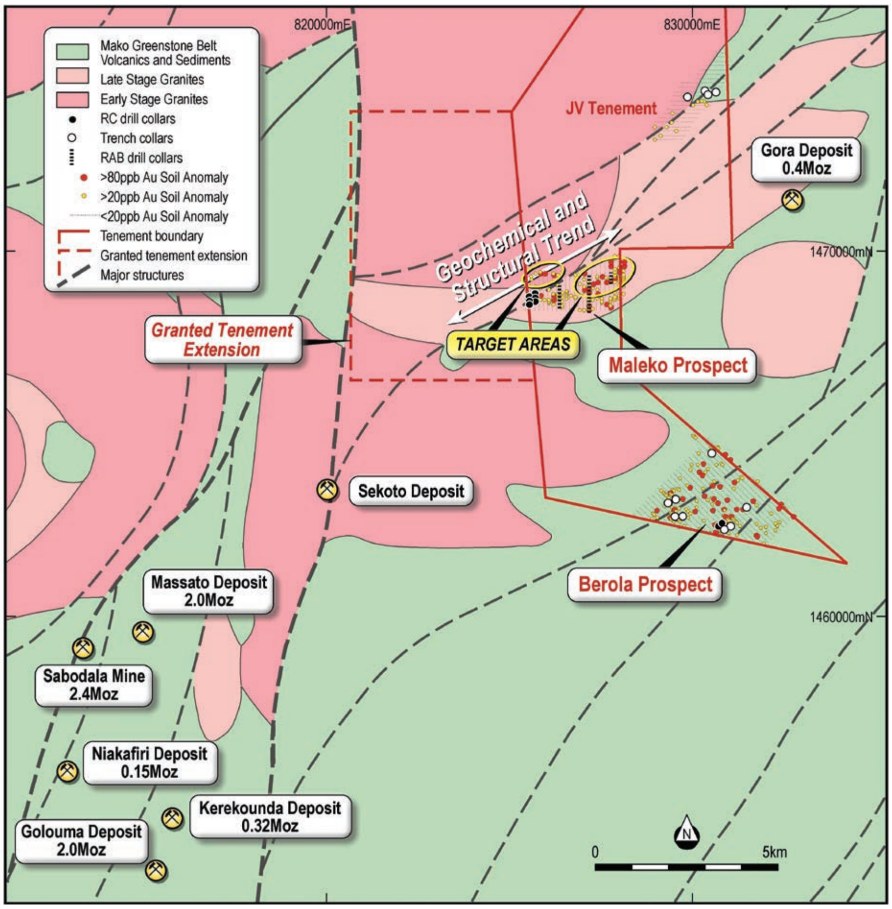
Extension to Bouroubourou Permit Granted

Erin has been recently granted a 65km^2 extension to the Bouroubourou tenement, directly west of the Maleko and Berola discoveries, which allows for exploring the potential trend of known mineralisation by up to 3km to the west. See Figure 1. Additionally, there is prospective ground to the north in the new extension permit area.

RC drilling at Maleko, in the 2013 program returned the following significant intersections:

Drill Hole	Down Hole Au Intercept	From Depth (Down hole)
BourRC0011	4m @ 17.9g/t	27
BourRC0002	6m @ 2.71g/t	64
BourRC0004	5m @ 1.88g/t	7
BourRC0012	6m @ 1.24g/t	62

Figure 1. Location of Maleko and Berola discoveries and large gold deposits nearby



Review of Operations (continued)

The Maleko and Berola discoveries are well located within the region, as they lie between Teranga's Sabodala mine (2.4m oz, 15km away) and Gora deposit (0.5m oz, 8km away) that is under feasibility study. Oromin's deposits (3.7m oz) lie about 15km to the south-west.

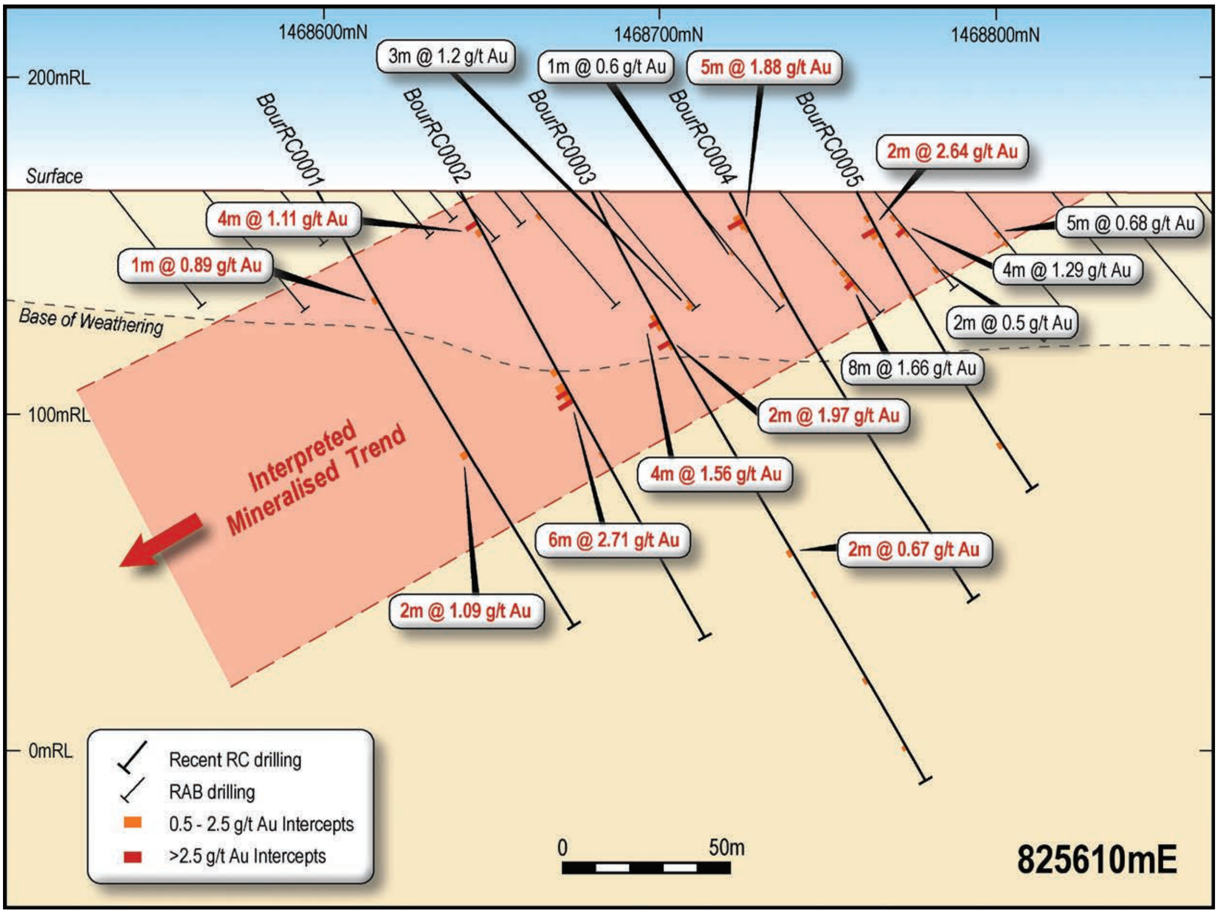
Mineralisation at Maleko (Figure 2) is associated with shearing, quartz veining, sericite/silicic alteration and pyrite within volcanic meta-sedimentary units, consistent in style with multi-million ounce deposits like Teranga's Sabodala mine (2.4m oz), Randgold's Massawa deposit (3.6m oz) and Oromin's deposits (3.7m oz).

The intersections lie within a zone of mineralisation approximately 180m wide with an estimated dip of 35° to the south. This zone appears to be associated with an 80ppb gold soil anomaly, which trends westward and extends at least 400m to the western border of the Bouroubourou permit (Figure 3). The granted extension area to the west provides an additional 3km of highly prospective geology along trend from the Maleko discovery.

Quartz veining is associated with the higher-grade intersections and can be variably mineralised. As a result, it appears that quartz can be a good indicator of mineralization nearby, even if not containing abundant gold.

The next stage for exploration at Maleko is to expand the defined mineralisation to the east and west of the current discovery sections. In addition, the Company is re-evaluating and going back to soil anomalies with similar footprints to Maleko and Berola on all its Senegal permits.

Figure 2. Cross Section 825610mE Showing Significant Intersections, Maleko



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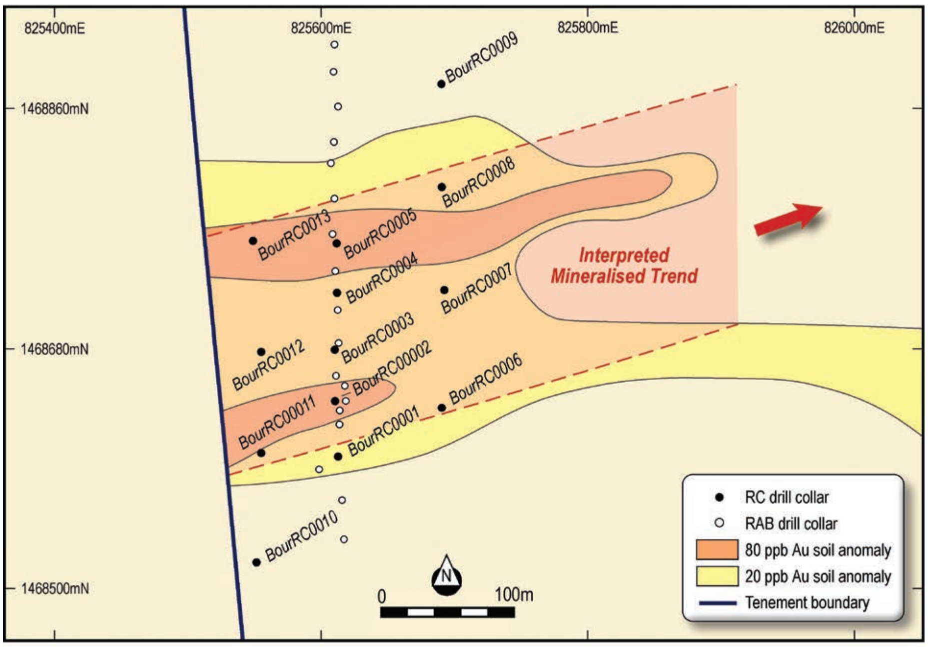
Review of Operations (continued)

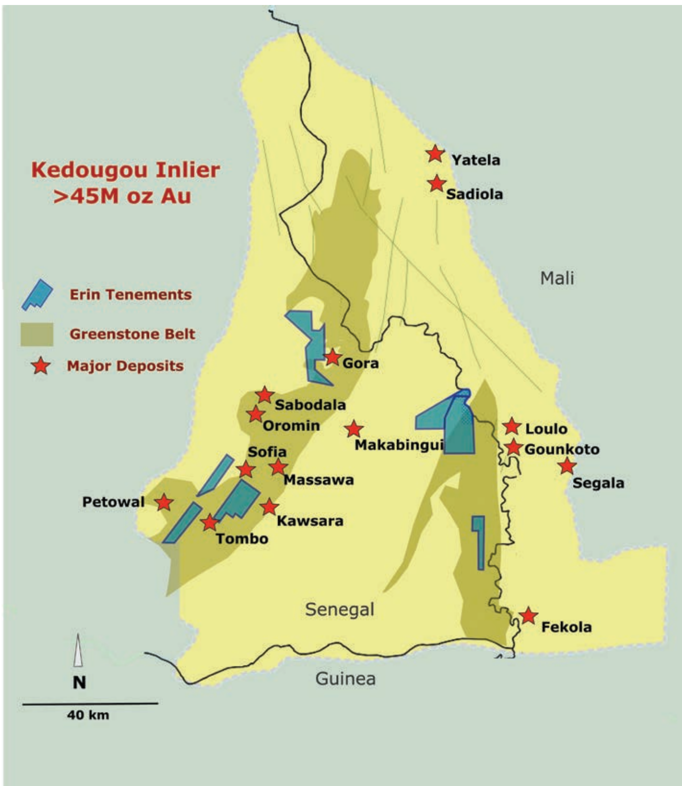
Figure 3. Plan view showing drilling and interpreted extension of the Maleko mineralisation



Exploration Activity

Erin has been conducting early stage gold exploration on its joint venture tenements in the Kedougou Inlier in the east of Senegal. The Kedougou Inlier, which hosts more than 45 million ounces of gold, is a West African gold 'hotspot' where companies such as Randgold Resources Limited, Iamgold Corporation, Bassari Resources Limited, Oromin Explorations Ltd, Teranga Gold Corporation and Papillion Resources Limited have all made multi-million ounce gold discoveries.

Figure 4. Kedougou Inlier



Review of Operations (continued)

Other Exploration

The discovery at Maleko provided strong encouragement for exploration over the Company's 640km^2 exploration permits. Both the Maleko and Berola mineralisation are partially concealed by transported sediments and intense laterite formation. It is suspected that such circumstances might occur for a number of geochemical anomalies on the Bouroubourou, Garaboryea north and Lingakoto permits. Field mapping and evaluation work were undertaken on these prospects.

Research is underway to look at geochemical techniques, to help see through this cover, and more detailed mapping is underway to identify areas where geochemistry has not been effective. The first phase of this work is using field mapping to identifying where geochemical anomalies have been possibly concealed, by laterite and sediments, and their continuity interrupted.

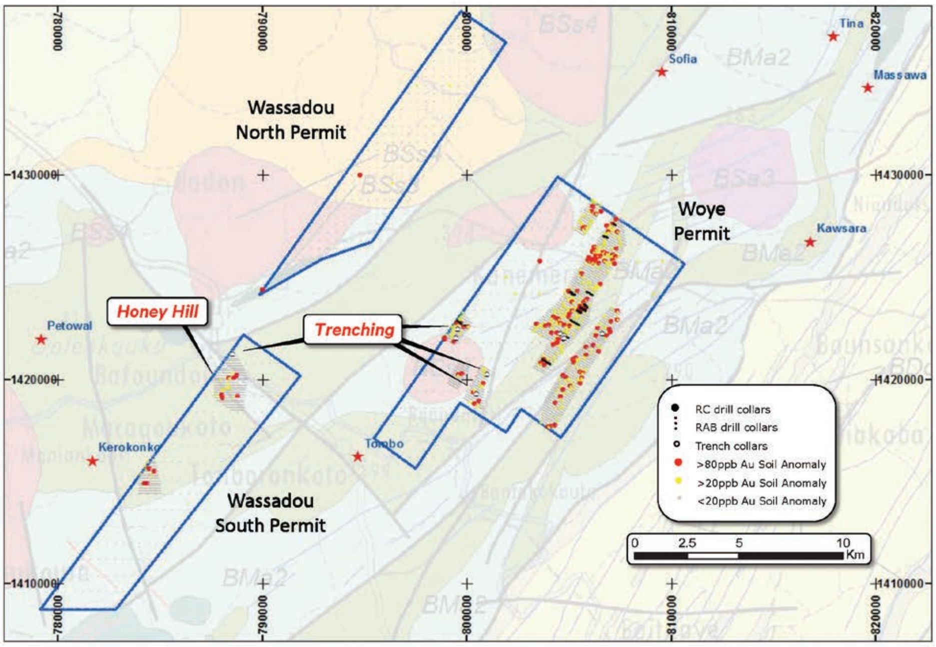
Woye

A total of 4 trenches for 859m were undertaken at the A4 and A6 prospects at Woye (Figure 5).

The recent trenching at Woye targeted mineralisation associated with late-stage granite intrusions. Similar associations are seen in a number of large nearby deposits such as Massawa (3.3m oz), Gora (0.4m oz) and Makabingui (1m oz). Work continues to explore this association and further possibilities for a deposit.

Further RC drilling may be planned pending the trench results.

Figure 5. Woye and Wassadou South Showing Recent Trenching



Wassadou South

A large quartz vein at Honey Hill extends for about 200m and is located on the Wassadou South permit. A grab sample in quartz float assayed 11g/t Au, this was followed up by a single trench (142m long). The best trench intercept was 2m @ 1g/t Au along the contact of the sheared felsic volcanics.

The early stage work at Honey Hill indicates potential for mineralisation in both the large quartz vein and in the nearby sheared contact of the felsic volcanics. The Petawal discovery (1.5m oz) lies about 3km to the west of Honey Hill.

Further RC drilling and rock chip sampling is planned to follow up trench results and test the mineralisation potential. Additional mapping and trenching is also planned for the prospect.

Garaboureya South

During the March quarter, 2 trenches for 145m were finalised at the Garaboureya South prospect after which the machinery moved to the Bouroubourou prospect.

RAB drilling will be planned to target mineralisation suspected to be hidden by the laterite profile.

Acquisition of Erin Mineral Resources

On 14 May 2012 the Company executed a Merger Implementation Agreement to acquire 100% of the issued capital of Erin Mineral Resources, an unlisted Australian public company with gold exploration assets in Senegal, West Africa (Acquisition). This transaction was completed on 14 September 2012.

The Company now holds various joint venture interests (77.5% – 80%) in seven prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou North and South, Woye, Garaboureya South and Balakonko gold projects (Projects).

The Acquisition was deemed to be a significant change in the nature and scale of the group's activities and, as a result, the Company was required to re-comply with Chapters 1 & 2 of the ASX Listing Rules and was approved by shareholders on 17 August 2012.

New Managing Director and Chairman

On 4 April 2013 the Company announced the appointment of Nick Poll as Managing Director of the Company, forming a new Board of Directors with Mr Brett Mitchell as Chairman and Mr Grant Davey as Non-Executive Director. This change followed the completion of a strategic review and recent changes to the project team in Senegal.

The Board and major shareholders are very pleased to have secured the services of Mr Poll as the Company's Managing Director. Mr Poll is a very experienced and highly regarded exploration geologist, having been integral in the largest nickel sulphide deposit discovery in over a decade with Mirabela Nickel and previously held various senior roles in gold exploration with WMC Resources Limited.

Mr Grant Davey stepped down from the position of Managing Director as a result of Mr Poll's appointment and remains on the Board as a Non-Executive Director.

The appointments followed Mr James Malone and Mr Robert Besley both stepping down as Chairman and Non-Executive Director respectively.

Competent Persons Statement

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Neil Inwood who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Inwood is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Significant Changes in State of Affairs

During the financial year the Company undertook a significant corporate and asset restructuring as a result of the agreement to acquire Erin Mineral Resources Limited as detailed in the review of operations. Through this transaction the Company became a West African gold exploration company.

After Balance Date Events

The Company entitlements totalling 24,220,318 shares ($242,203) and 24,220,318 listed options, were taken up by shareholders as announced on 29 August 2013 leaving a shortfall of 51,737,741 shares ($517,377) and 51,737,741 options. The entitlement issue was partially underwritten up to $500,000, the shortfall and underwritten securities were allotted on 12 September 2013.

The Company also placed an additional 2,662,259 shares at $0.01 each ($26,623) and 2,662,259 free attaching listed options exercisable at $0.02 on or before 30 June 2015 to sophisticated investors, the same terms as the Entitlement Issue.

Change in nature and scale of operations

Following the completion of the successful acquisition of Erin Mineral Resources Limited, the Company became a gold exploration company.

Environmental Issues

The group's operations are subject to various environmental laws and regulations under the relevant Governments' legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. There have been no significant known breaches by the group during the financial year.

Future Developments, Prospects and Business Strategies

The Company will continue to pursue its policy of enhancing the prospect of greater returns to its investors through further strategic investments during the next financial year. In that light, the Company is currently considering a number of complementary business investments and project acquisitions. Further information about likely developments in the operations of the group and the expected results of those operations in future financial years has not been included in this report, because disclosure of the information would be likely to result in unreasonable prejudice to the group.

Brett Mitchell	**Non-Executive Chairman**
Qualifications	BEc
Experience	Mr Mitchell is a corporate finance executive with over 20 years of experience in the finance and resources industries. He has been involved in the founding, financing and management of both private and publicly-listed resource companies and holds executive and non-executive directorship roles. Mr Mitchell is a partner in Verona Capital Pty Ltd, a private minerals focused venture capital and project generation business. Mr Mitchell holds a Bachelor of Economics from the University of Western Australia. He is also a member of the Australian Institute of Company Directors (AICD).
Interest in Shares and Options	Brett and Michelle Mitchell <Mitchell Spring Family A/C> 2,872,334 Ordinary Shares 1,320,500 Listed Options exercisable at $0.02 each on or before 30 June 2015 Brett and Michelle Mitchell <Lefthanders Super Fund A/C> 694,002 Ordinary Shares 462,668 Listed Options exercisable at $0.02 each on or before 30 June 2015 Verona Capital Pty Ltd holds the following securities, in which Mr Mitchell has a 20% beneficial interest- 8,500,000 Ordinary Shares 3,500,000 Ordinary Shares escrowed until 28 September 2014 8,000,000 Listed Options exercisable at $0.02 each on or before 30 June 2015 4,000,000 Unlisted Options exercisable at $0.20 each on or before 30 June 2017
Directorships held in other listed entities within the past three years	Citation Resources Ltd (24 November 2011 - current) Tamaska Oil and Gas Ltd (1 August 2011 – current) Wildhorse Energy Ltd (22 April 2009 – current) Transerv Energy Ltd (24 July 2006 – 19 August 2013) Quest Petroleum NL(21 May 2007 – 5 June 2013) Xstate Resources Ltd (26 August 2009 – 4 April 2011) Acacia Resources Ltd (2 October 2009 – 5 November 2010)

Nick Poll	Managing Director
Qualifications	BSc (Hons), MSc (Geol), MSc (Bus)
Experience	Mr Poll is a geologist with over 25 years of experience in the geological and business development of mining projects. Most recently, he was co-founder and Managing Director of Mirabela Nickel Limited and led the discovery, development and construction of the Santa Rita nickel project. Santa Rita is the largest nickel sulphide discovery in over a decade and was built within 5 years - from first drill hole to first nickel production. The mine now produces about 20,000t of nickel a year at a cash cost below US$6.00/lb of nickel. Mr Poll held various positions in exploration and mining projects for gold and nickel over a long career with WMC Resources Limited. During this time, he established and managed WMC's early stage gold exploration program in French Guiana. Mr Poll has a BSc (Hons) from the University of Western Australia, an MSc in geology from the Colorado School of Mines and an MSc in business from the London Business School. He speaks fluent French and Portuguese and is a member of the Australian Institute of Mining and Metallurgy (AIMM) and the Australian Institute of Company Directors (AICD). Mr Poll is also non-executive director of Fraser Range Metals Pty Ltd.
Interest In Shares and Options	Nil
Directorships held in other listed entities within the past three years	Nil

Grant Davey	Non-Executive Director from 4 April 2013 Managing Director from 21 June 2012 to 3 April 2013
Qualifications	BSc Mining Eng. (Wits)
Experience	Mr Davey is a Mining Engineer with over 20 years gold operational experience having worked in senior operational roles in Africa and Australia with AngloGold Ashanti, Anglo Coal and Forbes & Manhattan. Mr Davey was contracted by the Company last year to run the technical and project due diligence process on Erin's Senegal joint venture properties and headed the Company's team that negotiated the acquisition of Erin.
Interest in Shares and Options	Grant Davey 625,000 Ordinary Shares 625,000 Ordinary Shares escrowed until 13 June 2014 Elgra Consultancy Pty Ltd 1,120,000 Ordinary Shares 968,612 Listed Options exercisable at $0.02 each on or before 30 June 2015 Davey Management (Aus) Pty Ltd <Davey Family Super Fund A/C> 692,776 Ordinary Shares 562,776 Listed Options exercisable at $0.02 each on or before 30 June 2015 Verona Capital Pty Ltd holds the following securities, in which Mr Davey has a 30% beneficial interest- 8,500,000 Ordinary Shares 3,500,000 Ordinary Shares escrowed until 28 September 2014 8,000,000 Listed Options exercisable at $0.02 each on or before 30 June 2015 4,000,000 Unlisted Options exercisable at $0.20 each on or before 30 June 2017
Directorships held in other listed entities within the past three years	Cradle Resources Ltd (15 April 2013 - current) Forbes and Manhattan Coal Corp. (April 2010 - September 2011)

Rachel Jelleff	Company Secretary
Experience	Miss Jelleff has 5 years' experience in administering public companies and is also Company Secretary of Tamaska Oil and Gas Ltd.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each key management person of Erin Resources Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Erin Resources Limited has been designed to align key management personnel 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 consolidated group's financial results. The Board of Erin Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the remuneration committee and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The remuneration committee reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share and option arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.25% and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee 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 consolidated group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance-based Remuneration

As part of each member of the key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the areas each key management personnel are involved in and have a level of control over. The KPIs target areas the Board believes hold greater potential for

Remuneration Report (Audited) (continued)

group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

Mr Grant Davey and Mr Brett Mitchell had contracts in place with the Company during the financial year as detailed below:

Mr Brett Mitchell, Chairman
- Agreement commenced 4 April 2013, no termination date;
- Directors' fees for the year ended 30 June 2013 of $30,000 per annum.

Mr Grant Davey, Non-Executive Director
- Agreement commenced 4 April 2013, no termination date;
- Directors' fees for the year ended 30 June 2013 of $30,000 per annum.

Mr Grant Davey, Managing Director
- Agreement commenced 21 June 2012 and terminated 4 April 2013; there were no termination fees paid;
- Director's fees for the year ended 30 June 2013 of $30,000 per annum.

Details of Remuneration

Compensation of Key Management Personnel Remuneration – 2013

	Short-term Benefits		Post- employment Benefits				
Key Management Personnel	**Cash, salary and commissions**	**Other**	**Superannuation**	**Termination benefits**	**Equity**	**Share based Payment Options**	**Total**
Directors							
Brett Mitchell [1]	7,500	-	-	-	-	-	7,500
Nick Poll [2]	24,030	31,241	-	-	-	-	55,271
Grant Davey [3]	30,000	139,167	-	-	-	-	169,167
Jim Malone [4]	17,500	-	-	-	-	-	17,500
Jason Davis [5]	-	-	-	-	-	-	-
Robert Besley [6]	16,250	-	-	-	-	-	16,250
David Chapman [7]	20,834	-	-	-	-	-	20,834
Key Management Personnel							
Rachel Jelleff	29,167	-	2,625	-	-	-	31,792
Mark Fleming [8]	111,097	-	-	-	-	-	111,097
Paul Cranney	92,360	-	-	-	-	49,782	142,142
Total	**348,738**	**170,408**	**2,625**	**-**	**-**	**49,782**	**571,553**

[1] Appointed on 4 April 2013 [2] Appointed on 4 April 2013 [3] Appointed on 21 June 2012 [4] Resigned on 4 April 2013 [5] Resigned on 25 September 2012 [6] Resigned on 4 April 2013 [7] Resigned on 14 September 2012 [8] Resigned on 10 November 2012

Mr Brett Mitchell and Mr Grant Davey have director contracts with the Company.

Remuneration Report (Audited) (continued)

Compensation of Key Management Personnel Remuneration – 2012

	Short-term Benefits		Post- employment Benefits				
Key Management Personnel	**Cash, salary and commissions**	**Other**	**Superannuation**	**Termination benefits**	**Equity**	**Share based Payment Options**	**Total**
Directors							
Jason Davis [5]	1,667	-	-	-	-	-	1,667
Jim Malone [6]	1,667	-	-	-	-	-	1,667
David Chapman [7]	1,667	31,250	-	-	-	-	32,917
Key Management Personnel							
Rachel Jelleff	20,492	-	-	-	-	-	20,492
Total	**25,493**	**31,250**	**-**	**-**	**-**	**-**	**56,743**

[5] Resigned on 25 September 2012 [6] Resigned on 4 April 2013 [7] Resigned on 14 September 2012 [8] Resigned on 10 November 2012

End of Remuneration Report

Meetings of Directors

The Directors attendances at Director's meetings held during the year were:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Brett Mitchell	2	2
Nicholas Poll	2	2
Grant Davey	4	4
Jim Malone	2	2
Robert Besley	2	2
Jason Davis	0	0
David Chapman	0	0

The Company does not have any remuneration, nomination or audit committees, these functions are performed by the Board.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Erin Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Stock Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. A Corporate Governance Policy is included as part of this report.

Options

At the date of this report the unissued ordinary shares of Erin Resources Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
14 September 2012	30 June 2017	$0.20	4,000,000
23 January 2013	23 January 2018	$0.30	1,000,000
23 January 2013	23 January 2018	$0.35	500,000
23 January 2013	23 January 2018	$0.40	500,000
30 August 2013	30 June 2015	$0.02	24,220,318
12 September 2013	30 June 2015	$0.02	54,400,000
			84,620,318

Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the Company secretary and all executive officers of the Company against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the notice of the liability and the amount of the premium.

The Company has not indemnified the auditor or paid any insurance premium on behalf of the auditor.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the service provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, there were no fees paid or payable for non-audit services by PKF Mack & Co and its related practices.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 13 of the annual report.

This report is made in accordance with a resolution of Directors. These financial statements were authorised for issue on 24 September 2013 by the Directors of the Company.

Brett Mitchell
Chairman
Dated 24 September 2013

PKF Mack & Co

Chartered Accountants & Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ERIN RESOURCES LTD

In relation to our audit of the financial report of Erin Resources Ltd for the year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack and Co.

PKF Mack & Co

Simon Fermanis
Partner

24 September 2013
West Perth,
Western Australia

Tel: 61 8 9426 8999 | Fax: 61 6 9426 8900 | www.pkf.com.au
PKF Mack & Co | ABN 11 713 325 732
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	CONSOLIDATED GROUP	
		30-Jun-13	30-Jun-12
		$	$
Revenue	2	25,660	53,061
Professional and consultancy fees		(131,022)	(177,931)
Marketing expenses		(9,383)	(3,158)
Directors' fees		(106,972)	(5,000)
Employee benefit expenses	3	(183,397)	(69,912)
Office and administrative expenses		(72,403)	(26,099)
Depreciation	10	(8,332)	-
Other expenses		(253,696)	(61,841)
Loss before operating activities		**(739,545)**	**(290,880)**
Foreign exchange losses		(27,352)	-
Loss before income tax		**(766,897)**	**(290,880)**
Income tax benefit	4	-	-
Loss after income tax from continuing operations		**(766,897)**	**(290,880)**
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on the translation of foreign operations		24,224	-
Other comprehensive income (net of tax) for the year		**24,224**	**-**
Total comprehensive loss for the year		**(742,673)**	**(290,880)**
Total comprehensive loss attributable to:			
Members of the parent entity		(742,673)	(290,880)
		(742,673)	**(290,880)**
Earnings per share for loss attributable to the ordinary equity holders of the parent:			
From continuing and discontinued operations			
Basic loss per share (cents)	7	(1.18)	(0.15)
Diluted loss per share (cents)	7	(1.18)	(0.15)

The accompanying notes form part of these financial statements

As at 30 June 2013

		CONSOLIDATED GROUP	
		30-Jun-13	30-Jun-12
	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	*8*	161,432	515,827
Other receivables	*9*	54,826	33,695
Deferred expenditure	*9a*	21,502	55,064
Total Current Assets		**237,760**	**604,586**
NON-CURRENT ASSETS			
Plant and equipment	*10*	-	-
Exploration and evaluation expenditure	*11*	8,466,010	-
Other receivables	*9*	-	387,777
Total Non-Current Assets		**8,466,010**	**387,777**
TOTAL ASSETS		**8,703,770**	**992,363**
CURRENT LIABILITIES			
Trade and other payables	*13*	352,584	204,941
Short-term financial liabilities	*14a*	131,405	-
Total Current Liabilities		**483,989**	**204,941**
NON-CURRENT LIABILITIES			
Loan payable to third party	*14b*	275,000	-
Total Non-current liabilities		**275,000**	**-**
TOTAL LIABILITIES		**758,989**	**204,941**
NET ASSETS		**7,944,781**	**787,422**
EQUITY			
Contributed equity	*16a*	14,046,083	5,764,533
Share based payment reserve	*17a*	221,365	-
Foreign currency translation reserve	17b	24,224	-
Retained earnings		(6,346,891)	(4,977,111)
TOTAL EQUITY		**7,944,781**	**787,422**

The accompanying notes form part of these financial statements

For the year ended 30 June 2013

Consolidated Group	Contributed Equity $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Retained Earnings $	Total $
Balance at 1 July 2011	**5,514,533**	**-**	**-**	**(4,686,231)**	**828,302**
Total comprehensive loss attributable to members of parent entity	-	-	-	(290,880)	(290,880)
Shares issued during the year	250,000	-	-	-	250,000
Transaction costs	-	-	-	-	-
Balance at 30 June 2012	**5,764,533**	**-**	**-**	**(4,977,111)**	**787,422**
Balance at 1 July 2012	**5,764,533**	**-**	**-**	**(4,977,111)**	**787,422**
Total comprehensive loss attributable t o members of parent entity	-	-	24,224	(766,897)	(742,673)
Erin Mineral Resources Ltd acquisition (note 12)	-	-	-	(602,883)	(602,883)
Shares issued during the year (net of share issue costs)	8,281,550	221,365	-	-	8,502,915
Balance at 30 June 2013 (note 16)	**14,046,083**	**221,365**	**24,224**	**(6,346,891)**	**7,944,781**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

		CONSOLIDATED GROUP	
		30-Jun-13	30-Jun-12
	Note	**$**	**$**
Cash flows from operating activities			
Interest received		25,660	38,061
Payments to suppliers and employees		(561,738)	(417,509)
Net cash used in operating activities	*22*	**(536,078)**	**(379,448)**
Cash flows from investing activities			
Purchase of plant and equipment	*10*	(8,332)	-
Payments for exploration assets		(2,214,655)	-
Net cash used in investing activities		**(2,222,987)**	**-**
Cash flows from financing activities			
Repayment of loans		-	(37,833)
Loans advanced to Erin Minerals Resources Ltd		-	(387,777)
Proceeds from borrowings	*14a*	131,405	-
Proceeds from issue of shares and options	*16a*	2,591,600	250,000
Capital raising costs		(289,392)	-
Net cash provided by/(used in) financing activities		**2,433,613**	**(175,610)**
Net decrease in cash and cash equivalents held		**(325,452)**	**(555,058)**
Cash and cash equivalents at beginning of year		515,827	1,070,885
Foreign exchange movement in cash		(28,943)	-
Cash and cash equivalents at end of year	*8*	**161,432**	**515,827**

The accompanying notes form part of these financial statements

The financial statements of Erin Resources Limited for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of Directors on 24 September 2013. These consolidated financial statements and notes represent those of Erin Resources Limited, formerly Health Corporation Limited (the “Company”) and Controlled Entities (the “consolidated group” or “group”).

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001 for profit orientated entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”). Material accounting policies adopted in the preparation of these financial statements are presented below and they have been consistently applied unless otherwise stated.

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

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(v).

Financial report prepared on a going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated group incurred a loss from continuing operations of $766,897 (2012: $290,880) during the year ended 30 June 2013.

In the Directors’ opinion there are reasonable grounds to believe that the consolidated group will be able to pay its debts as and when they become due and payable for the following reasons:

(i) On 17 August 2012, the shareholders approved a change in the nature and scale of business activities as well as the acquisition of Erin Mineral Resources Limited, which holds gold exploration projects in Senegal. The Company is actively pursuing the exploration of these Projects.

(ii) The group completed a successful capital raising and placement, subsequent to year end, raising a total of $786,203 before share issue costs.

(iii) As at 30 June 2013 the group had cash and cash equivalents of $161,432, this cash with the capital raised, as noted above, the group has sufficient cash to enable the Company to pay its debts as and when they become due and payable for at least the next 12 months from the date of this report.

If the Company and group are unable to continue as a going concern, then assets and liabilities will not be discharged in the normal course of business and at values specified in the financial report.

a. Principles of Consolidation

A controlled entity is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in note 12 to the financial statements. All controlled entities have a 30 June financial year end. Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

As at reporting date, the assets and liabilities of all controlled companies have been incorporated into the consolidated financial statements as well as their results for the year ended.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been charged where necessary to ensure consistencies with those policies applied by the parent entity.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the Equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

b. Acquisition of Assets

The acquisition method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued and liabilities assumed at the date of exchange. Where equity instruments are issued in an asset acquisition, the value of the equity instruments is the published market price as at the date of the exchange unless it can be demonstrated that the published price at the date of the exchange is an unreliable indicator of the fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the consolidated statement of comprehensive income.

c. Income Tax

Tax Consolidation

The Company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 21 October 2005. The tax consolidated group has entered a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contributions to the group's taxable income.

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 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.

e. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

f. Employee Benefits

A provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

g. Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

h. Segment Reporting

An operating segment is a component of the consolidated group 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 consolidated entity's other components.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months.

j. Revenue

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

k. 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the consolidated 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. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Rounding of Amounts

The Company is a kind referred to in class order 98/100 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that class order to the nearest dollar.

m. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

n. Share Based Payments

Share based compensation relating to share options are recognised at fair value.

The fair value of the options is recognised as an employee benefit expense in the statement of comprehensive income, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

o. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

p. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less a provision for impairment. Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

q. Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

r. Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of Financial Assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

t. Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

u. Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(i) Estimated Impairment

The group tests annually whether exploration and evaluation expenditure have suffered any impairment, in accordance with the accounting policy stated in note 1 (e). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions like commodity price and production quantity. Some of these assumptions may be amended in the future and this may lead to the subsequent impairment of the assets concerned.

(ii) Capitalisation of exploration and evaluation expenditure

The group has capitalised significant exploration and evaluation expenditure on the basis that this is either expected to be recouped through future successful development (or alternatively sale) of the areas of Interest concerned, or on the basis that it is not yet possible to assess whether it will be recouped.

(iii) Income Taxes

The group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

(iv) Share Based Payments

The assessed fair value at grant date of share based payments granted during the period was determined using a binomial option pricing model that takes into account the exercise price, the price of the underlying share at grant date, the life of the option, the volatility of the underlying share, the risk free rate and expected dividend payout and any applicable vesting conditions.

Management was required to make assumptions and estimates in order to determine the inputs into the binomial option pricing model.

NOTE 2. REVENUE

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Interest income	25,660	38,061
Debt forgiveness[1]	-	15,000
	25,660	53,061

[1] For the year ended 30 June 2012, the debt forgiveness represented Director's fees that were accrued for but were reversed as they were subsequently forfeited by the Directors.

NOTE 3. EXPENSES

EMPLOYEE BENEFITS

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Wages and Salaries	132,131	69,912
Employee share option expense (note 20(ii))	49,782	-
Other employee costs	1,484	-
	183,397	69,912

NOTE 4. INCOME TAX EXPENSE

		CONSOLIDATED GROUP	
		30-Jun-13	30-Jun-12
		$	$
(a)	**The components of income tax expense comprise:**		
	Current tax		
	Deferred tax	(197,993)	(83,682)
	DTA not recognised (losses)	266,303	64,462
	DTA not recognised (temporary)	(68,310)	19,220
	Research and development tax refund	-	-
		-	-
(b)	**The prima facie tax on Profit/(loss) from continuing operations and discontinued operations before income tax is reconciled to the income tax as follows:**		
	Prima facie tax payable on (loss)/profit from continuing operations and discontinued operations before income tax at 30%	(230,069)	(87,264)
	Add:		
	Tax effect of:		
	Other non-allowable items	32,076	3,582
	Other assessable items	-	-
	Less:		
	Tax effect of:		
	Non-assessable items	-	-
	Loss of discontinued operations	-	-
	DTA not recognised (losses)	266,303	64,462
	DTA not recognised (temporary)	(68,310)	19,220
	Research and development tax refund	-	-
	Income tax expense/(benefit)	-	-
	Deferred Tax Assets Not Brought to Account, the benefits of which will only be realised if the conditions for deductibility set out in Note (1c) occur		
	Tax Losses	1,015,673	1,485,504
	Temporary Differences	201,523	60,366
	Total	1,217,196	1,545,870

NOTE 5. KEY MANAGEMENT PERSONNEL DISCLOSURES

The totals of remuneration paid to Key Management Personnel (KMP) of the Company and the group during the year were as follows:

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Short-term employee benefits	519,146	56,743
Post-employment benefits	52,407	-
	571,553	56,743

NOTE 5: KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(a) Options Holdings of Key Management Personnel

Details of options and rights held directly, indirectly or beneficially by KMP and their related parties are as follows:

Options holdings

No options were held by KMP as at 30 June 2012 and 2,000,000 options were granted as compensation to Mr Paul Cranney as at 30 June 2013.

(b) Shareholdings of Key Management Personnel

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by KMP and their parties are as follows.

Shareholdings 2013

All figures are shown as post 10:1 consolidation

Key Management Personnel	Opening Balance 1.07.2012	Granted as Compensation	Options Exercised	Net Other Changes[5]	Closing Balance 30.6.2013
Directors					
Brett Mitchell*	1,783,168	-	-	-	1,783,168
Nick Poll	-	-	-	-	-
Grant Davey*	1,250,000	-	-	281,388	1,531,388
Jim Malone[1]	-	-	-	10,000	10,000
Robert Besley[2]	-	-	-	1,265,892	1,265,892
Jason Davis[3]	954,419	-	-	-	954,419
David Chapman[4]	-	-	-	-	-
Other Key Management Personnel					
Rachel Jelleff	4,969	-	-	-	4,969
Paul Cranney	-	-	-	-	-
Total	3,992,556			1,557,280	5,549,836

*Verona Capital Pty Ltd, a company controlled 30% by Grant Davey and 20% by Brett Mitchell, held no shares at 1 July 2012 and 4,000,000 shares at 30 June 2013.
[1] Resigned 4 April 2013 – Closing balance is as at resignation date [2] Resigned 4 April 2013 – Closing balance is as at resignation date
[3] Resigned 25 September 2012 – Closing balance is as at resignation date [4] Resigned 14 September 2012 – Closing balance is as at resignation date
[5] Net other changes are as a result of shares allotted on share issues and other movement due to changes in directors and directors' related entities.

Shareholdings 2012

All figures are shown as post 10:1 consolidation.

Key Management Personnel	Opening Balance 1.7.2011	Granted as Compensation	Options Exercised	Net Other Changes[4]	Closing Balance 30.6.2012
Directors					
Grant Davey	-	-	-	1,250,000	1,250,000
Jim Malone[1]	-	-	-	-	-
Jason Davis[2]	954,419	-	-	-	954,419
David Chapman[3]	-	-	-	-	-
Other Key Management Personnel					
Rachel Jelleff	4,969	-	-	-	4,969
Total	959,388	-	-	1,250,000	2,209,388

[1] Resigned 4 April 2013 [2] Resigned 25 September 2012 [3] Resigned 14 September 2012
[4] Net other changes are as a result of shares allotted on share issues and other movement due to changes in directors and directors' related entities.

NOTE 6. AUDITOR'S REMUNERATION

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Remuneration of the auditors of the group:		
Audit fees and review of financial reports - PKF Mack & Co	39,500	23,000
Audit fees and review of financial reports - Hall Chadwick	-	1,636
Accounting advisory services – PKF Mack & Co	6,500	11,000
Tax advisory services - Hall Chadwick	51,755	6,350
Total auditors' remuneration	97,755	41,986

NOTE 7. EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Reconciliation of earnings to profit or loss		
(Loss) used in calculating basic and diluted EPS	(766,897)	(290,880)
	Number	**Number**
Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted EPS	64,808,515	191,164,384

NOTE 8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Cash at bank	161,432	515,827

NOTE 9. OTHER RECEIVABLES

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Current:		
Other receivables	43,218	-
GST receivable	11,002	24,908
Prepayments	606	8,787
	54,826	33,695
Non-current:		
Loans to related entities[1]	-	387,777

(9a) Deferred expenditure

Capital raising cost	21,502	55,064

[1] Per the terms of the financing and merger implementation agreement with Erin Mineral Resources Limited (Note 12), the Company provided a loan facility to Erin of up to $900,000 to be applied towards advancing the priority exploration activities on the projects during the period up to completion of the acquisition. The loan is interest-free and unsecured. No receivables are considered impaired at 30 June 2013. Receivables are expected to be paid within 60 days.

NOTE 10. PLANT AND EQUIPMENT

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Plant and equipment		
- at cost	8,332	-
- accumulated depreciation	(8,332)	-
Total plant and equipment	-	-
Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year are set out below:		
Reconciliation of the carrying amount of plant and equipment:		
Carrying amount at beginning of financial year	-	-
Additions	8,332	-
Disposal	-	-
Depreciation expense for the period	(8,332)	-
Carrying amount at end of financial year	-	-

NOTE 11. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Reconciliation of Exploration and Evaluation expenditure:		
Costs brought forward	-	-
Additions during the year	3,433,389	-
Fair value of the exploration and evaluation expenditure acquired	4,834,962	-
Amortisation of share based payments	171,580	-
Foreign currency movement	26,079	-
	8,466,010	-

The value of exploration and evaluation expenditure carried forward is dependent on continued rights of tenure, the results of future exploration and the recoupment of costs through successful development or sale.

NOTE 12. CONTROLLED ENTITIES

	Country of incorporation	Percentage Owned (%)*	
		2013	2012
Parent Entity:			
Erin Resources Limited[1]	Australia		
Subsidiaries of Erin Resources Limited:			
Health Information Pharmacy MBA Pty Ltd	Australia	-	100
HEA Management Pty Ltd	Australia	-	100
Intramedics Pty Ltd	Australia	100	100
Erin Mineral Resources Limited	Australia	100	-
Subsidiaries of Erin Resources Limited:			
Erin Minerals Pty Limited	Australia	100	-
Erin Senegal S.A.U	Senegal	100	-

* Percentage of voting power in proportion to ownership [1] On 17 August 2012, Health Corporation Limited changed its name to Erin Resources Limited.

NOTE 12: CONTROLLED ENTITIES (CONTINUED)

Disposal of controlled entities

30 June 2013

During the year the group deregistered its wholly owned dormant subsidiaries, HEA Management Pty Limited and HIP MBA Pty Limited. A total debt of $26,200 was forgiven by the Company.

30 June 2012

There were no disposals of controlled entities during the year.

Acquisition of controlled entities

30 June 2013

During the year, the Company approved the acquisition of Erin Mineral Resources Limited ("EMRL").

30 June 2012

On 14 May 2012, the Company entered into a financing and merger implantation agreement with EMRL. On the 17 August 2012 ('Acquisition date'), the shareholders of Erin approved the acquisition of 100% of the issued share capital of EMRL, an unlisted Australian public company with exploration projects in Senegal. The transaction was completed on 14 September 2012. The salient terms of the agreement were as follows:

Consideration

In exchange for the Company acquiring 100% of the issued share capital in EMRL, the Company issued by way of consideration on a post-Consolidation basis, the following to the EMRL shareholders (in proportion to their existing holdings in EMRL):

- 25,000,000 Shares; and
- 13,000,000 voluntary holding lock shares (VHL Shares) which will may only be released from their holding lock upon the earlier of the following being satisfied:
  - a change in control of the Company; or
  - the Company achieving an enterprise value of at least $25 million for ten consecutive trading days.

The VHL Shares are fully paid ordinary shares and rank equally with all existing shares on issue.

Loan to EMRL

The Company provided a loan facility to EMRL of up to $900,000 to be applied towards advancing the priority exploration activities on the projects up to completion of the acquisition. The loan was interest-free and unsecured. At acquisition date, the loan was drawn to $602,833.

Issue of Shares to Verona

As part of the Agreement with Erin, the Company issued 3,500,000 shares (post consolidation) to Verona Capital Pty Ltd (Verona). The shares issued are, in part consideration, for the provision of corporate and technical services to the Company (refer note 16).

Issue of Options to Verona

In part consideration for the provision of corporate advisory services to the Company, the Company issued 4,000,000 unlisted options (post consolidation) to Verona. The options have an exercise price of $0.20 each expiring on or before 30 June 2017 (refer note 20).

Change of Name

As a result of the acquisition, the Company changed its name from Health Corporation Limited to Erin Resources Limited on 17 August 2012.

Change in nature and scale of operations

Following completion of the acquisition of EMRL, the Company became a gold exploration Company. There were also several board changes.

NOTE 12: CONTROLLED ENTITIES (CONTINUED)

The fair value of assets and liabilities recognized as a result of the acquisition are as follows:

	$
Identifiable assets acquired	
Other receivables	8,393
Exploration and Evaluation expenditure[1]	6,241,607
	6,250,000
Consideration paid	
Fully paid ordinary shares in the Company	
- 25 million shares at $0.25 per share	6,250,000
Contingent consideration	
- 13 million VHL shares (Refer note 20a)	161,636
- 4 million options (Refer note 20b)	9,947
	6,421,583

[1] The fair value of the exploration and evaluation expenditure includes goodwill totaling $4,834,962 associated with the acquisition.

As part of the acquisition the Nigerian assets and operations were demerged.

30 June 2012

There were no acquisitions of controlled entities during the year.

NOTE 13. TRADE AND OTHER PAYABLES

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Current		
Trade payables	116,190	159,861
Accruals	134,715	-
Sundry payable[1]	101,679	45,080
	352,584	204,941

[1] This related to a Research and Development claim in relation to the Health Information Pharmacy MBA Pty Ltd, which was subsequently repaid on 1 July 2013.

NOTE 14. FINANCIAL LIABILITIES

(a) Current liabilities

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Short term financial liabilities [1]	131,405	-
	131,405	-

[1] The loan is a short term loan from third parties that is interest free and has no fixed repayment terms (note 23).

(b) Non-current liabilities

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
Loan payable to third party [2]	275,000	-
	275,000	-

[2] The loan from a third party relates to the original acquisition term of Erin Resources Pty Ltd and as disclosed in the prospectus dated 26 July 2012. The amounts are unsecured interest free and will be repaid from future capital raising or assets sales.

NOTE 15. PARENT COMPANY DISCLOSURES

The individual financial statements for the parent entity show the following aggregate amounts:

	30-Jun-13 $	30-Jun-12 $
Current assets	231,857	604,586
Non-current assets	9,125,994	413,301
Total Assets	9,357,851	1,017,887
Current liabilities	216,108	204,942
Short term financial liabilities	131,405	-
Non-current liabilities	275,000	-
Total Liabilities	622,513	204,942
Contributed equity	14,046,083	5,764,532
Share based payment reserve	221,365	-
Accumulated losses	(5,532,110)	(4,951,587)
Total Equity	8,735,338	812,945
Loss for the year	(580,523)	(290,358)
Total comprehensive loss for the year	(580,523)	(290,358)

NOTE 16. CONTRIBUTED EQUITY

	30-Jun-13 NUMBER	30-Jun-12 NUMBER	30-Jun-13 $	30-Jun-12 $
Ordinary shares on issue, fully paid (refer note 16a)	62,958,059	215,000,000	14,046,083	5,764,533
VHL shares (refer note 20a)	13,000,000	-	-	-
	75,958,059	**215,000,000**	**14,046,083**	**5,764,533**

(16a) Reconciliation of movement in share capital

Reconciliation of share movement for June 2013	No. Of Shares	Issue Price	Amount
Opening balance at 1 July 2012	215,000,000		5,764,533
10 for 1 consolidation[1]	**21,500,059**		**5,764,533**
Shares issued on acquisition[2]	25,000,000	0.25	6,250,000
Shares issued to Verona [2]	3,500,000	0.25	875,000
Capital raising[3]	12,958,000	0.20	2,591,600
VHL Share issued to acquired EMRL[2]	13,000,000	-	-
Less costs of issue			(1,435,050)
Closing balance at 30 June 2013	75,958,059		14,046,083

Reconciliation of share movement for June 2012	No. Of Shares	Issue Price	Amount
Opening balance at 1 July 2011	190,000,000		5,514,533
Share issue - June 2012	25,000,000	0.01	250,000
Closing balance at 30 June 2012	215,000,000		5,764,533

[1] The Company completed a 10 for 1 consolidation of share capital. This was effective as at 17 August 2012, on approval at the shareholder meeting.
[2] Refer to Note 12 Controlled Entities. [3] The Company performed a capital raising, pursuant to its prospectus dated 26 July 2012. The Company issued 12,958,000 fully paid ordinary shares at an issue price of $0.20 to raise $2,591,600 before share issue costs.

NOTE 16: CONTRIBUTED EQUITY (CONTINUED)

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value.

(16b) Capital Risk Management

The group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the group manages its capital by assessing the group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

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

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

NOTE 17. RESERVES

(17a) Share based payment reserve

	CONSOLIDATED GROUP	
	30-Jun-13 $	30-Jun-12 $
Balance at 1 July	-	-
Share based payment movement during the year	221,365	-
	221,365	-

This comprises the amortised position of the share based payment expense (refer note 20c).

(17b) Foreign currency translation

	30-Jun-13 $	30-Jun-12 $
Balance at 1 July	-	-
Currency translation differences arising during the year	24,224	-
	24,224	-

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve as described in note 1(g). The reserve is recognised in profit and loss when the net investment is disposed of.

NOTE 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no known contingent liabilities or contingent assets as at the reporting date.

NOTE 19. COMMITMENTS

The Company holds tenements in Senegal and is required to incur minimum expenditure on the tenements to meet both regulatory and joint venture requirements. The table below outlines the minimum required expenditure on the exploration permits:

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
	$	$
No later than 1 year	776,742	386,516
Later than 1 year but not later than 5 years	237,806	3,459,680
Later than 5 years	-	-
	1,014,548	3,846,196

NOTE 20. SHARE BASED PAYMENTS

(a) Valuation of the Voluntary Holding Lock shares

As part of the acquisition of Erin Mineral Resources Limited (EMRL), Voluntary Holding Lock shares were issued to the EMRL shareholders (refer note 12 Controlled Entities).

The Voluntary Holding Lock shares (VHL Shares) may only be released from their holding lock upon the earlier of the following being satisfied:

(a) a change in control of the Company; or

(b) the Company achieving an enterprise value of at least $25 million for ten consecutive trading days.

The VHL Shares will be fully paid ordinary shares that will rank equally with all existing shares on issue.

If, within 5 years from the date of issue of the VHL shares, the milestone is not reached and there is no change of control event, in relation to Erin, the VHL Shares will be cancelled by way of selective capital reduction or share buyback at a price of $0.000001 per share.

The VHL shares are included in the acquisition fair value of exploration and evaluation expenditure, and amortised over a period of 5 years.

Number of VHL shares issued	13,000,000
Fair value per share[1]	$0.07
Total value of the issue	$906,588
Amortisation expense (based on 5 years)	$161,636

[1]The shares have been valued based on the probability of the events occurring, using the volatility and the share price on the date of acquisition.

Valuation date	17 August 2012
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Share price at grant date ($)	$0.25
Probability (%)	27.8%

(b) Valuation of the options issued

(i) 4 millions unlisted options

In part consideration for the provision of corporate advisory services to the Company, the Company issued 4,000,000 unlisted options (post consolidation) to Verona Capital Pty Ltd. The options have an exercise price of $0.20 each expiring on or before 30 June 2017. The options will only vest and become exercisable upon the voluntary holding lock in respect of the VHL Shares being released (refer to note 12).

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTE 20: SHARE BASED PAYMENTS (CONTINUED)

The following table lists the inputs to the model used for valuation of options:

Valuation date	17 August 2012
Dividend yield (%)	Nil
Expected volatility (%)	71.75%
Risk-free interest rate (%)	3.09%
Expected life of option (years)	5
Option exercise price ($)	$0.20
Share price at grant date ($)	$0.25
Expiry date	30 June 2017
Performance conditions	Described above

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The probability of the performance conditions occurring was included in determining the fair value of the options.

The options are amortised over their expected life, being 5 years and included in the fair value acquisition cost of exploration and evaluation expenditure.

Number of options	4,000,000
Fair value per option	$0.01
Total value of the issue	$55,790
Amortisation expense (based on 5 years)	$9,947

(ii) 2 million unlisted options

On 23 January 2013, a total of 2 million unlisted share options were issued to Mr Paul Cranney in consideration for geological consultancy services provided to the Company. The options were issued in three tranches and have an expiry date of 23 January 2018.

The fair value of the share options at grant date are determined using a binomial option pricing method that takes into account the exercise price, the term of the option, the probability of exercise, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of options:

	Tranche 1	Tranche 2	Tranche 3
Valuation date	23 January 2013	23 January 2013	23 January 2013
Vesting Date	23 January 2013	27 August 2013	27 August 2014
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	81%	81%	81%
Risk-free interest rate (%)	3.29%	3.29%	3.29%
Expected life of option (years)	5	5	5
Option exercise price ($)	$0.30	$0.35	$0.40
Share price at grant date ($)	$0.08	$0.08	$0.08
Expiry date	23 January 2018	23 January 2018	23 January 2018
Performance conditions	Described above	Described above	Described above

The options are amortised over their vesting date, and are expensed accordingly.

	Tranche 1	Tranche 2	Tranche 3	Total
Number of options	1,000,000	500,000	500,000	2,000,000
Fair value per option	$0.034	$0.032	$0.030	-
Total value of the issue	$34,000	$16,000	$15,000	$65,000
Amortisation expense (based on 5 years)	$34,000	$11,703	$4,079	$49,782

NOTE 20: SHARE BASED PAYMENTS (CONTINUED)

(c) Reconciliations of share based payment expense

As at 30 June 2013	Number of VHL shares / unlisted options Number	Vesting Date	Value $	Share based payment expense at 30 June 2013 $
Opening balance	-			-
Movement during the year				
VHL Share issued (note 20a)	13,000,000	Note 20a	0.069	161,636
Total VHL share	13,000,000			
Unlisted options issued @ $0.20 (note 20bi)	4,000,000	14 Sept 2013	0.014	9,947
Unlisted options issued @ $0.30 (Tranche 1) (note 20bii)	1,000,000	23 Jan 2013	0.034	34,000
Unlisted options issued @ $0.35 (Tranche 2) (note 20bii)	500,000	27 Aug 2013	0.032	11,703
Unlisted options issued @ $0.40 (Tranche 3) (note 20bii)	500,000	27 Aug 2014	0.030	4,079
Total unlisted options	6,000,000			221,365

As at 30 June 2012	Number of options	Weighted average exercise price $
Outstanding at beginning of year	2,508,424	1.20
Expired during the year	(2,508,424)	1.20
	-	-

The options outstanding at 30 June 2011 expired on 1 December 2011.

NOTE 21. SEGMENT REPORTING

Following the completion of the successful acquisition of Erin Mineral Resources Limited (refer note 12), the Company became a gold exploration company. The Company has interests in 7 prospective gold assets in the Republic of Senegal which acts as the sole reportable segment to the executive management of the group.

NOTE 22. CASH FLOW INFORMATION

	CONSOLIDATED GROUP	
	30-Jun-13	30-Jun-12
Reconciliation of Cash Flow from Operations with loss after Income Tax	$	$
(Loss) after income tax	(742,673)	(290,880)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Third party loan forgiven	-	(15,000)
Depreciation and amortisation	8,332	-
Exploration, evaluation and development expenditure	(187,028)	-
Share based payment expense	(49,783)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in trade and other receivables	12,431	(65,822)
Increase /(Decrease) in trade payables and accruals	147,643	(7,746)
Increase in loans	275,000	-
Cash flow from operations	(536,078)	(379,448)

NOTE 23. EVENTS AFTER THE BALANCE SHEET DATE

The Company entitlements totalling 24,220,318 shares ($242,203) and 24,220,318 listed options, were taken up by shareholders as announced on 29 August 2013 leaving a shortfall of 51,737,741 shares ($517,377) and 51,737,741 options. The entitlement issue was partially underwritten up to $500,000, the shortfall and underwritten securities were allotted on 12 September 2013.

The Company placed an additional 2,662,259 shares at $0.01 each ($26,623) and 2,662,259 free attaching listed options exercisable at $0.02 on or before 30 June 2015 to sophisticated investors, the same terms as the Entitlement Issue.

Repayment of loans

Short-term loan of $131,405 is repaid as issue of shares on completion of the capital raising.

NOTE 24. RELATED PARTY TRANSACTIONS

(a) Transactions with Director related entities

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having controls or significant influence over the financial or operating policies of those entities.

Details of the transactions including amounts accrued but unpaid at the end of the year are as follows:

Entity	Relationship	Nature of transactions	Transactions Full Year 30-Jun-13 $	Transactions Full Year 30-Jun-12 $	Balances Full Year 30-Jun-13 $	Balances Full Year 30-Jun-12 $
Elgra Consultancy Pty Ltd	(i)	Reimbursement from Elgra for corporate administration costs	61,363	-	20,654	-
Verona Capital Pty Ltd	(ii)	Reimbursement to Verona for technical support and corporate administration costs and re-charges	213,408	-	231,782	-
Verona Capital Pty Ltd	(ii)	Working capital loan (refer note 14a)	80,000	-	80,000	-
Tamaska Oil & Gas Ltd	(iii)	Reimbursement from TMK for corporate administration costs	1,833	-	-	-
Citation Resources Ltd	(iv)	Reimbursement from CTR for corporate administration costs	7,991	-	334	-

(i) Elgra Consultancy Pty Ltd is a company associated with Mr Grant Davey. (ii) Verona Capital Pty Ltd, a company controlled 30% by Grant Davey and 20% by Brett Mitchell. (iii) Tamaska Oil & Gas Ltd (TMK) is a company associated with Mr Brett Mitchell who is currently a director of TMK. (iv) Citation Resources Ltd (CTR) is a company associated with Mr Brett Mitchell who is currently a director of CTR.

(b) Transactions with related subsidiaries

At the end of the year the follow loans were owed by wholly owned subsidiaries of the Company:

Entity	Relationship	Amount owed 30-Jun-13 $	Amount owed 30-Jun-12 $
Subsidiaries of Erin Resources Limited:			
Intramedics Pty Ltd	A wholly owned subsidiary	792	218
Erin Minerals Resources Ltd	A wholly owned subsidiary acquired during the year	2,553,472	387,777
HIP MBA Pty Ltd	A wholly owned subsidiary	-	24,731
HEA Management Pty Ltd	A wholly owned subsidiary	-	574
Subsidiaries of Erin Minerals Resources Ltd:			
Erin Minerals Pty Ltd	A wholly owned subsidiary	14,436,566	-
Subsidiaries of Erin Minerals Pty Ltd:			
Erin Senegals S.A.U	A wholly owned subsidiary	230,573	-

Details of interest in wholly owned controlled entities are set out in note 12.

NOTE 24: RELATED PARTY TRANSACTIONS (CONTINUED)

Loans between entities in the wholly owned group are denominated in AU dollars and CFA Franc, are non interest bearing, unsecured and are repayable upon reasonable notice having regard to the financial stability of the Company.

(c) Other related party transactions

30 June 2013

There were no other related party transactions during the year.

30 June 2012

Director Loans:

During the year ended 30 June 2012, a short term loan of $37,833 was repaid to a Director.

Director Fees:

Directors' fees amounting to $5,000 were paid during the year to 30 June 2012, while the balance of $55,000 to 30 June 2012 was forfeited by the Directors.

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

NOTE 25. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of cash at bank, payables and loans receivable.

Market Risks

The group is exposed to a variety of financial risks through its financial instruments for example, interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

At reporting date, the group does not have long term borrowings and its exposure to interest rate risk is assessed as low. The risk monitors its interest rate risk through sensitivity analysis, as outlined below.

The consolidated group'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 of the group are summarised in the following tables:

2013	Floating interest rate $	1 Year or less $	Over 1 to 5 years $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	155,529	155,529	-	5,903	161,432	4.50%
Loans receivable	-	-	-	-	-	
	155,529	155,529	-	5,903	161,432	
Financial liabilities						
Other payables and sundry accruals	-	-	-	627,584	627,584	
Loans payable	-	-	-	131,405	131,405	
	-	-	-	758,989	758,989	

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

2012	Floating interest rate $	1 Year or less $	Over 1 to 5 years $	Non-interest bearing $	Total $	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	515,827	515,827	-	-	515,827	1.54
Loans receivable	-	-	-	387,777	387,777	
	515,827	515,827	-	387,777	903,604	
Financial liabilities						
Other payables and sundry accruals	-	-	-	204,941	204,941	
	-	-	-	204,941	204,941	

At 30 June 2013, if interest rates had changed by -/+100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $1,555 lower/higher (2012: $5,158).

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows.

Credit Risk

Management has assessed the credit risk exposure as minimal at reporting date. Credit risk arises from exposure to customers and deposits with banks. Management monitors its exposure to ensure recovery and repayment of outstanding amounts. Cash deposits are only made with reputable banking institutions.

NOTE 26. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the parent company and consolidated group but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date. Erin Resources Limited has not yet made an assessment of the impact of these amendments and do not anticipate early adoption.

AASB 9 Financial Instruments

2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9.

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

NOTE 26: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONTINUED)

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting (Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability of the consolidated entity.

AASB 127 Separate Financial Statements (Revised) and AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013, and the impact on the group has yet to be assessed.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian

Accounting Standards Arising from Interpretation 20

This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

Interpretation 21# Levies

This interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

NOTE 26: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONTINUED)

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity; clarification over requirements to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

NOTE 26: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONTINUED)

AASB 1053 Application of Tiers of Australian Accounting Standards

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

(a) Tier 1: Australian Accounting Standards

(b) Tier 2: Australian Accounting Standards – Reduced Disclosure

Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

(a) For-profit entities in the private sector that have public accountability (as defined in this standard)

(b) The Australian Government and State, Territory and Local governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

(a) For-profit private sector entities that do not have public accountability

(b) All not-for-profit private sector entities

(c) Public sector entities other than the Australian Government and State, Territory and Local governments.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.

NOTE 27. COMPANY DETAILS

Registered Office and Principal Place of Business	Level 7, 1008 Hay Street Perth WA 6000 Tel: +61 8 9389 2000 Fax: +61 8 9389 2099

NOTE 28. DIVIDENDS

No dividends have been paid or provided during the year.

DIRECTORS' DECLARATION

The Directors' of the Company declare that in their opinion:

1. The financial statements and notes, as set out in pages 14 to 40, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001;

   (b) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and

   (c) give a true and fair view of the Company's and consolidated group's financial position as at 30 June 2013 and their performance for the year ended on that date.

2. The Directors have been given the declaration required by section 295A of the *Corporations Act 2001*.

3. The remuneration disclosures contained in the Remuneration Report comply with s300A of the *Corporations Act 2001*.

4. In the Directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Brett Mitchell
Chairman
Dated 24 September 2013

PKF MACK & CO
Chartered Accountants & Business Advisers

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ERIN RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Erin Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other 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 of Erin Resources Limited (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Tel: 61 8 9426 8999 | Fax: 61 6 9426 8900 | www.pkf.com.au
PKF Mack & Co | ABN 11 713 325 732
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF MACK & CO
Chartered Accountants & Business Advisers

Opinion

In our opinion:

(a) the financial report of Erin Resources Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2013 and their performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss after tax of $766,897 (2012: $290,880) during the year ended 30 June 2013. This, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the company and consolidated entity's ability to continue as a going concern and therefore, the company and consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report of the company and consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and/or the consolidated entity not continue as a going concern.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2013. 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 Erin Resources Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

PKF Mack and Co.

PKF MACK & CO

SIMON FERMANIS
PARTNER

24 SEPTEMBER 2013
WEST PERTH,
WESTERN AUSTRALIA

Overview

In March 2003, the Australian Securities Exchange (ASX) Corporate Governance Council published its Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations").

In August 2007, the ASX Corporate Governance Council published a revised Principles and Recommendations (2nd Edition).

In 2010, the ASX Corporate Governance Council published a further revised Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) to ensure that these remain relevant to the Australian business and investment communities. The Company's Corporate Governance Statement is structured below with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition). The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In a limited number of instances, the Company has determined not to comply with the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size. Recommendations which the Company does not comply with are highlighted in this report.

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Companies should establish and disclose the respective roles and responsibilities of board and management.

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

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

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

1.2 The Company's practice:

The Board considers that the essential responsibility of directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company's business is delegated to the Chairman, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Managing Director;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organizational performance and the achievement of strategic goals and objectives
  - Compliance with the Company's code of conduct
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of directors; and
- Any other matter considered desirable and in the interest of the Company.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a formal Board Charter which is on the Company's website and summarised above. In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

Senior executives are responsible for the ongoing management of the Company's operations and report to the Board. They are accountable for all functions that are necessary to the operations of the Company and not specifically reserved to the Board. Senior executive's performance is reviewed on a regular basis by the Board.

Based on the above information the Company believes it is fully compliant with Recommendations 1.1, 1.2 and 1.3.

2. PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1: A majority of the Board should be Independent Directors.

Recommendation 2.2: The chair should be an Independent Director.

Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.

Recommendation 2.4: The Board should establish a nomination committee.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

2.2 The Company's practice:

Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be Independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, the Company has one independent Director. The Board as a whole comprises a Managing Director, Non-Executive Chairman and Non-Executive Director.

Composition

The Directors have been chosen for their particular expertise to provide the Company with a competent and well-rounded decision-making body and which will assist the Company and shareholders in meeting their objectives.

The term in office held by each Director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Name	Position	Term in Office
Brett Mitchell	Non-Executive Chairman	5 months
Nicholas Poll	Managing Director	5 months
Grant Davey	Non-Executive Director	1 year 2 months

The Directors meet frequently, both formally and informally, so that they maintain a mutual, thorough understanding of the Company's business and to ensure that the Company's policies of corporate governance are adhered to.

Education

The Company has a formal process to educate new Directors about the nature of the business, current issues, the corporate strategy and the Company's expectations concerning the performance of Directors. Directors are given access to and encouraged to participate in continuing education opportunities to update and enhance their skills and knowledge.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the consolidated entity's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other board members.

Nomination Committee

The Company does not currently have a separate nomination committee and as such has not complied with Recommendation 2.4. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee.

Monitoring of Board Performance

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- Attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed,
- Attendance at the Company's Shareholder Meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

Based on the above information the Company believes it is fully compliant with Recommendations 2.1, 2.2, 2.3, 2.5 and 2.6. The Company is not compliant with Recommendation 2.4 as outlined.

3. PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Companies should actively promote ethical and responsible decision-making.

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the Company's integrity
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices

Recommendation 3.2: Companies should 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.

Recommendation 3.3: Companies should 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.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.

3.2 The Company's practice:

Ethical Standards

The Company has a formal Code of Conduct as per Recommendation 3.1. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

All directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Diversity Policy

The Board has adopted a Diversity Policy as per Recommendation 3.2. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Gender Diversity

As a priority, the Company is focusing on the participation of women on its Board and within senior management. The Board is in the process of determining appropriate measurable objectives for achieving gender diversity.

Women Employees, Executives and Board Members

The Company and its consolidated entities have two (2) female employees/executives:

- its company secretary; and
- its chief financial officer

which represent approximately 40% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company.

Based on the above information the Company believes it is fully compliant with Recommendations 3.1, 3.2, 3.3, 3.4 and 3.5.

4. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

Recommendation 4.1: The Board should establish an audit committee.

Recommendation 4.2: The audit committee should be structured so that it:

- consists only of Non-Executive Directors
- consists of a majority of Independent Directors
- is chaired by an independent chair, who is not chair of the Board
- has at least three members.

Recommendation 4.3: The audit committee should have a formal charter.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

4.2 The Company's practice:

Audit Committee

The Board has not established a separate audit committee and as such has not complied with Recommendation 4.1 & 4.2. The duties and responsibilities typically delegated to such a committee are the responsibility of the full Board, due to the size and current operations of the Company.

The processes the Board applies in performing this function include:-

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis and nomination of auditors is at the discretion of the Board.

Audit and Compliance Policy

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets quarterly to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the consolidated entity.

The Board, consisting of members with financial expertise and detailed knowledge and experience of the mineral exploration and evaluation business, advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The Chairman and chief financial officer declared in writing to the Board that the Company's financial reports for the year ended 30 June 2013 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

Based on the above information the Company believes it is fully compliant with Recommendations 4.3 and 4.4. The Company is not compliant with Recommendations 4.1 and 4.2 as outlined.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Companies should promote timely and balanced disclosure of all material matters concerning the Company.

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

5.2 The Company's practice:

Continuous Disclosure Policy

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

(a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;

(b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and

(c) Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Managing Director and the Company secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all directors, officers and employees of the Company coordinate disclosures through the Managing Director and the Company secretary, including:

(d) Media releases;

(e) Analyst briefings and presentations; and

(f) The release of reports and operational results.

Based on the above information the Company believes it is fully compliant with Recommendations 5.1 and 5.2.

6. PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

6.2 The Company's practice:

Shareholder Communication

It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in general meetings.

The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals.

The shareholders are responsible for voting on the appointment of directors, approval of the maximum amount of directors' fees and the granting of options and shares to Directors. Important issues are presented to the shareholders as single resolutions.

The Company's auditor is required to be present, and be available to shareholders, at the Annual General Meeting.

Information is communicated to shareholders through:-

- the Annual Report which is distributed to all shareholders;
- Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website;

- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and
- compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.

The Company's full policy on shareholder communication can be found on our website.

Based on the above information the Company believes it is fully compliant with Recommendations 6.1 and 6.2.

7. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Companies should establish a sound system of risk oversight and management and internal control.

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

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

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

7.2 The Company's practice:

RISK MANAGEMENT

Recognise and Manage Risk

Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management and Internal Control policy is detailed in full on our website.

Oversight of the Risk Management System

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee. The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.

The Chairman has declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets.

- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
- Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

Based on the above information the Company believes it is fully compliant with Recommendations 7.1, 7.2, 7.3 and 7.4.

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Recommendation 8.1: The Board should establish a remuneration committee.

Recommendation 8.2: The remuneration committee should be structured so that it:

- consists of a majority of independent Directors
- is chaired by an independent chair
- has at least three members

Recommendation 8.3: Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Directors and senior executives.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

8.2 The Company's practice:

Remuneration Committee

The Company does not currently have a separate remuneration committee and as such has not complied with Recommendation 8.1 or Recommendation 8.2. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities.

Remuneration Policies

Remuneration of Directors are formalised in service agreements. The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the chairman and the executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating Directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Chairman's and senior executive's emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and Motivation of senior executives
2. Attraction of quality management to the Company
3. Performance incentives which allow executives to share the rewards of the success of the Company

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

For details on the amount of remuneration and all monetary and non-monetary components for all Directors refer to the Remuneration Report on pages 9 to 11 of the Financial Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Based on the above information the Company believes it is fully compliant with Recommendation 8.3 and is not compliant with Recommendation 8.1 or Recommendation 8.2 as outlined.

Principle	Reference in the Company's Corporate Governance Statement
Principle 1 – *Lay solid foundations for Management and oversight* Companies should establish and disclose the respective roles and responsibilities of Board and Management. • **Recommendation 1.1:** Companies should establish the functions reserved to the Board and those delegated to Senior Executives and disclose those functions. • **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of Senior Executives. • **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.	See page 44
Principle 2 - *Structure the Board to add value* Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties. • **Recommendation 2.1:** A majority of the Board should be independent Directors. • **Recommendation 2.2:** The chair should be an independent director. • **Recommendation 2.3:** The roles of chair and Chief Executive Officer should not be exercised by the same individual. • **Recommendation 2.4:** The Board should establish a nomination committee. • **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors. • **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.	See page 45
Principle 3 - *Promote ethical and responsible decision-making* Companies should actively promote ethical and responsible decision-making • **Recommendation 3.1:** Companies should establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in the Company's integrity - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices • **Recommendation 3.2:** Companies should 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. • **Recommendation 3.3:** Companies should 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. • **Recommendation 3.4:** Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in Senior Executive positions and women on the Board. • **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.	See page 46
Principle 4 - *Safeguard integrity in financial reporting* Companies should have a structure to independently verify and safeguard the integrity of their financial reporting. • **Recommendation 4.1:** The Board should establish an audit committee. • **Recommendation 4.2:** The audit committee should be structured so that it: - consists only of Non-Executive Directors - consists of a majority of independent Directors - is chaired by an independent chair, who is not chair of the Board - has at least three members. • **Recommendation 4.3:** The audit committee should have a formal charter. • **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.	See page 47

Principle	Reference in the Company's Corporate Governance Statement
Principle 5 - *Make timely and balanced disclosure* Companies should promote timely and balanced disclosure of all material matters concerning the Company. • **Recommendation 5.1:** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a Senior Executive level for that compliance and disclose those policies or a summary of those policies. • **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.	See page 48
Principle 6 - *Respect the rights of shareholders* Companies should respect the rights of shareholders and facilitate the effective exercise of those rights. • **Recommendation 6.1:** Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy. • **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.	See page 49
Principle 7- *Recognise and manage risk* Companies should establish a sound system of risk oversight and management and internal control. • **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. • **Recommendation 7.2:** The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. • **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 sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. • **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.	See page 50
Principle 8- *Remunerate fairly and responsibly* Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear. • **Recommendation 8.1:** The Board should establish a remuneration committee. • **Recommendation 8.2:** The remuneration committee should be structured so that it: - consists of a majority of independent Directors - is chaired by an independent chair - has at least three members. • **Recommendation 8.3:** Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives. • **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.	See page 51

EXCHANGE LISTING

Erin Resources Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is ERI for shares and ERIOB for listed options.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 15 September 2013

Name of Shareholder	Total Number of Voting Share in Erin Resources Ltd in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
Mr Criag Ian Burton	13,710,759	8.87
Exploration Capital Partners 2009 Limited Partnership	11,530,151	7.46

CLASS OF SHARES AND VOTING RIGHTS

At 15 September 2013 there were 833 holders of 154,578,377 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

(a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

(b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

The number of shareholders holding less than a marketable parcel is 601.

LISTED OPTIONS

The Company does not have any listed options on issue.

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.02 on or before 30 June 2015	78,620,318	166	-	-

UNLISTED OPTIONS

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.20 on or before 30 June 2017	4,000,000	1	Verona Capital Pty Ltd	4,000,000
Options exercisable at $0.30 on or before 23 January 2018	1,000,000	1	Mr Paul Cranney	1,000,000
Options exercisable at $0.35 on or before 23 January 2018	500,000	1	Mr Paul Cranney	500,000
Options exercisable at $0.40 on or before 23 January 2018	500,000	1	Mr Paul Cranney	500,000

ESCROWED SECURITIES

The Company has the following securities subject to ASX imposed escrow.

4,168,350	Ordinary Shares escrowed until 28 September 2014
347,542	VHL Ordinary Shares escrowed until 28 September 2014 (also subject to voluntary escrow)
625,000	Ordinary Shares escrowed until 13 June 2014
4,000,000	Unlisted Options exercisable at $0.20 each on or before 30 June 2017 escrowed until 28 September 2014

The Company has the following securities subject to voluntary imposed escrow.

12,652,458	VHL Ordinary Shares

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

LISTING OF 20 LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2012

	Shareholder	Shares Held	Percentage Held
1	VERONA CAPITAL PTY LTD	10,500,000	6.79%
2	EXPLORATION CAPITAL PARTNERS 2009 LIMITED PARTNERSHIP	9,030,151	5.84%
3	ALBA CAPITAL PTY LTD	7,710,759	4.99%
4	FADCO INVESTMENTS LIMITED	6,772,613	4.38%
5	MEGATOP NOMINEES PTY LTD <MORRIS SUPER FUND NO 2 A/C>	5,500,000	3.56%
6	BT PORTFOLIO SERVICES LTD <WARRELL HOLDINGS S/F A/C>	5,000,000	3.23%
7	HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	4,600,000	2.98%
8	SUNBEAM OPPORTUNITIES LIMITED	4,515,075	2.92%
9	HUSIF NOMINEES PTY LTD <RC LYNTON-BROWN FAMILY A/C>	3,500,000	2.26%
10	TOLTEC HOLDINGS PTY LTD	3,000,000	1.94%
11	MR BRETT MITCHELL + MRS MICHELLE MITCHELL <MITCHELL SPRING FAMILY A/C>	2,828,584	1.83%
12	EXPLORATION CAPITAL PARTNERS 2009 LIMITED PARTNERSHIP	2,500,000	1.62%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	2,257,538	1.46%
14	PAGODATREE INVESTMENTS LIMITED	2,257,538	1.46%
15	MRS DEBORAH ANNE PERVAN	2,200,000	1.42%
16	CAERUS (WA) PTY LTD <NELSON NO 2 FAMILY A/C>	2,030,000	1.31%
17	AEGEAN CAPITAL PTY LTD <SPARTACUS A/C>	2,000,000	1.29%
18	MR DON FORSHAW BAILEY	2,000,000	1.29%
19	TENBAGGA RESOURCES FUND PTY LTD <TENBAGGA FAMILY A/C>	2,000,000	1.29%
20	BRERETON - BRAY PTE LTD	1,777,812	1.15%
	TOTAL	**81,980,070**	**53.01%**

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Ordinary Shareholders
1 – 1,000	273
1,001 – 5,000	107
5,001 – 10,000	136
10,001 – 100,000	183
100,001 and over	134
Total	**833**

SHAREHOLDER INFORMATION

LISTING OF 20 LARGEST OPTIONHOLDERS (ASX CODE: ERIOB) AS AT 15 SEPTEMBER 2013

	Shareholder	Shares Held	Percentage Held
1	VERONA CAPITAL PTY LTD	7,000,000	8.90%
2	ALBA CAPITAL PTY LTD	5,140,506	6.54%
3	BT PORTFOLIO SERVICES LTD <WARRELL HOLDINGS S/F A/C>	5,000,000	6.36%
4	MEGATOP NOMINEES PTY LTD <MORRIS SUPER FUND NO 2 A/C>	5,000,000	6.36%
5	HUSIF NOMINEES PTY LTD <RC LYNTON-BROWN FAMILY A/C>	3,500,000	4.45%
6	TOLTEC HOLDINGS PTY LTD	3,000,000	3.82%
7	HELMET NOMINEES PTY LTD <TIM WEIR FAMILY FUND A/C>	2,500,000	3.18%
8	MRS DEBORAH ANNE PERVAN	2,200,000	2.80%
9	CAERUS (WA) PTY LTD <NELSON NO 2 FAMILY A/C>	2,015,000	2.56%
10	AEGEAN CAPITAL PTY LTD <SPARTACUS A/C>	2,000,000	2.54%
11	MR DON FORSHAW BAILEY	2,000,000	2.54%
12	TENBAGGA RESOURCES FUND PTY LTD <TENBAGGA FAMILY A/C>	2,000,000	2.54%
13	MR ROBERT ELLIS BESLEY + MRS JANE MARION BESLEY <R & J BESLEY SUPER FUND A/C>	1,500,000	1.91%
14	MR GARRY NOEL BUNGEY + MRS VIVIENNE ALICE NOLA BUNGEY <BUNGEY SUPER FUND ACCOUNT>	1,500,000	1.91%
15	MR BRETT MITCHELL + MRS MICHELLE MITCHELL <MITCHELL SPRING FAMILY A/C>	1,320,500	1.68%
16	MR ROBERT LEWIS COPPING + MRS PATRICIA JOAN COPPING <RL & PJ COPPING S/FUND A/C>	1,100,000	1.40%
17	MR MARK JOHN ANDERSON + MRS DEBORAH ANNE ANDERSON <ANDOS SUPER FUND A/C>	1,000,000	1.27%
18	BACHILTON PTY LTD <SI FAMILY A/C>	1,000,000	1.27%
19	MR TIMOTHY JOHN DE BURGH	1,000,000	1.27%
20	DIDCAL PTY LTD <AB CHAPMAN FAMILY S/F A/C>	1,000,000	1.27%
	TOTAL	**50,776,006**	**64.57%**

DISTRIBUTION OF OPTIONHOLDERS

Spread of Holdings	Number of Optionholders
1 – 1,000	18
1,001 – 5,000	24
5,001 – 10,000	23
10,001 – 100,000	42
100,001 and over	59
Total	**166**

TENEMENTS

Permit No.	Permit Title	Area (km²)	Issued	Region	Erin Ownership
07786	Garaboureya (south portion)	36.6	13/08/2009	Kedougou	80%
07787	Balakonko	79.7	13/08/2009	Kedougou	80%
01814	Woye	94.4	26/02/2010	Kedougou	80%
10332	Bouroubourou	187	1/12/2010	Kedougou	80%
10333	Lingokoto	152	1/12/2010	Kedougou	80%
12907	Wassadou South	49.9	18/11/2011	Kedougou	77.5%
00852	Wassadou North	40.3	1/02/2012	Kedougou	77.5%

ERIN RESOURCES LIMITED
Level 7, 1008 Hay Street, Perth WA 6000
T: +61 8 9389 2000 F: +61 8 9389 2099