ACN 148 142 634

AUDITED FINANCIAL REPORT

FOR THE PERIOD

10 JANUARY 2011 TO 30 JUNE 2011

Parker Resources NL
ACN 148 142 634
FINANCIAL REPORT

CORPORATE DIRECTORY

Directors Brian Thomas Paul Davey Jay Stephenson	 Chairman and Non-executive Director Non-executive Director Non-executive Director
Joint Company Secretaries Julia Beckett Jay Stephenson	
Registered Office Level 4, 66 Kings Park Road WEST PERTH WA 6005 Telephone 08 6141 3550 Facsimile 08 6141 3599	
Auditor Stantons International Level 1 1 Havelock Street WEST PERTH WA 6005	

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DIRECTORS' REPORT

Your Directors present their report on Parker Resources NL ("the Company") for the period 10 January 2011 to 30 June 2011.

Directors

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

Brian Thomas - Appointed 10 January 2011

Paul Davey - Appointed 10 January 2011

Jay Stephenson - Appointed 10 January 2011

Company Secretary

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

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

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

Principal Activity

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

Results of Operations

The loss of the Company for the period 10 January 2011 to 30 June 2011 amounted to $64,963.

Financial Position

The net assets of the Company at 30 June 2011 were ($16,160).

Significant Changes in State of Affairs

Parker Resources was incorporated on 10 January 2011 with the intention of becoming actively involved in exploration, development and investment in resource opportunities covering a suite of minerals. In June 2011, the Company entered into the Joint Venture and Farmin Agreement to acquire up to a 70% interest in the Allambi project by issuing Excelsior Gold Limited with 250,000 fully paid ordinary shares in the Company and by sole funding $400,000 of exploration expenditure within three years from the date of listing on the ASX.

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

Dividends Paid or Recommended

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

DIRECTORS' REPORT

Significant events after the reporting date

On 23 September 2011, the Company successfully listed on the ASX after raising $3,500,000.

There have been no significant events after the reporting date.

Information on Directors

Mr Brian Thomas	Non-executive Chairman - Appointed 10 January 2011
Qualifications	**BSc, MBA, SAFin, MAusIMM, MAICD**
Experience	Mr Brian Thomas is a geologist and mineral economist with extensive experience as both an executive and non-executive director with small to mid market capitalisation publicly listed resources companies. He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group. This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector.
Interest in Shares	0 Ordinary Shares
Special Responsibilities	Member of the all Committees
Directorships held in other listed entities	Current Non-Executive Director of Condoto Platinum NL, Noble Mineral Resources Limited, Transit Holdings Limited, Charter Pacific Corporation Limited, and Strickland Resources Limited. During the past 3 years, he was a Non-Executive Director of Aragon Resources Limited, White Cliff Nickel Limited, Pacific Niugini Limited, and Namibian Copper NL.

Mr Paul Davey	Non-executive Director – Appointed 10 January 2011
Experience	Mr Paul Davey has been a director of R & I Electronics, an electronic service company, since 1985. The company is a key service provider to several major international manufacturers and Paul has overseen the continued growth of the company in Western Australia. He has been pivotal in the transformation of the company over the past two decades to meet shifting industry needs and dynamics.
Interest in Shares and Options	0 Ordinary Shares 0 Options
Special Responsibilities	Member of the all Committees
Directorships held in other listed entities	During the past three years, Mr Davey was a Director of Namibian Copper NL.

DIRECTORS' REPORT

Mr Jay Stephenson	Non-executive Director – Appointed 10 January 2011
Qualifications	***MBA, FCPA, FCIS, CMA, MAICD***
Experience	Jay Stephenson is a qualified accountant and has been in business development for over 20 years. During this time, he has served as director, CFO and company secretary for both listed and unlisted entities in the resources, manufacturing, wine, hotel and property sectors. He has substantial experience in corporate transactions and managing all areas of finance.
Interest in Shares and Options	30,000 Ordinary Shares 0 Options
Special Responsibilities	Member of the all Committee
Directorships held in other listed entities	Mr Stephenson is currently a director of Aura Energy NL, Drake Resources NL, Doray Minerals NL, Quintessential Resources Limited, Nickelore Limited, and Strategic Minerals Corporation NL.

Director Meetings

During the period ended 30 June 2011, there was 1 Director meeting and all Directors attended.

Shares under option

There are no Unissued ordinary shares of Parker Resources NL under option at the date of this report.

Environmental Regulations

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

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

Non-audit Services

No non-audit services were provided by the auditors of the Company in the period 10 January 2011 to 30 June 2011.

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 period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period 10 January 2011 to 30 June 2011 has been received and can be found on page 7 of the financial report.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director of the Company, and key management receiving the highest remuneration.

A. Key Management Personnel Remuneration Policy

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

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

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

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

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

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

The Board policy is to remunerate Non-executive Directors at commercial market rates for comparable companies for time, commitment, and responsibilities. The Non-executive Directors have been provided with options that are meant to incentivise the Non-executive Directors. The Board determines payments to the Non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of directors' and executives' interests in options at year end, refer to Note 8 of the financial statements.

B. Remuneration

There was no remuneration paid of any kind to any Director or other Key Management Personnel during the period 10 January 2011 to 30 June 2011.

C. Service Agreements

There are no service agreements.

D. Options issued as part of remuneration for the period 10 January 2011 to 30 June 2011

No options were granted to the Directors during the period 10 January 2011 to 30 June 2011.

REMUNERATION REPORT

E. Loans to Directors and Executives

No loans have been made to Directors or executives of the Company during, or since, the period 10 January 2011 to 30 June 2011.

F. Company performance, shareholder wealth and directors' and executives' remuneration

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

End of Remuneration Report

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

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

Jay Stephenson

DIRECTOR

Dated at Perth this 5th day of October 2011

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as
Stantons International
Chartered Accountants and Consultants

5 October 2011

Board of Directors
Parker Resources NL
Unit 6, 34 York Street
NORTH PERTH WA 6006

Dear Sirs

RE: PARKER RESOURCES NL

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

As Audit Director for the audit of the financial statements of Parker Resources NL for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

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

JP Van Dieren
Director

Parker Resources NL
ACN 148 142 634
FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME

	Note	10 Jan 11 – 30 June 2011 $
Revenue – Interest Income		37
Audit fees	**9**	(5,000)
Donations		(60,000)
Other administration expenses		-
(Loss) from operating activities		(64,963)
(Loss) before income tax		(64,963)
Income tax expense	**6**	-
(Loss) for the period		(64,963)
Total comprehensive loss for the period attributable to members of the Company		(64,963)
Diluted loss per share (cents)	**10**	(22.31)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 $
CURRENT ASSETS		
Cash and cash equivalents	**11**	130,840
TOTAL CURRENT ASSETS		130,840
TOTAL ASSETS		130,840
CURRENT LIABILITIES		
Trade and other payables	**12**	147,000
TOTAL CURRENT LIABILITIES		147,000
TOTAL LIABILITIES		147,000
NET ASSETS		(16,160)
EQUITY		
Issued capital	**13**	48,803
Accumulated losses		(64,963)
TOTAL EQUITY		(16,160)

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

STATEMENT OF CHANGES IN EQUITY

	Note	Issued Capital	Accumulated Losses	Total
		$	**$**	**$**
Balance at 10 January 2011		-	-	-
Loss attributable to members of the Company		-	(64,963)	(64,963)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		-	(64,963)	(64,963)
Transactions with owners, recognised directly in equity				
Shares issued during the period net of costs		48,803	-	48,803
Balance at 30 June 2011		48,803	(64,963)	(16,160)

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

STATEMENT OF CASH FLOWS

	Note	10 Jan 11 – 30 June 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(3)
Interest received		40
Net cash (used in)/from operating activities	**14**	37
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure		-
Net cash used in investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		803
Proceeds from loans		130,000
Net cash from financing activities		130,803
Net increase in cash and cash equivalents		130,840
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of financial period	**11**	130,840

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 10 JANUARY 2011 to 30 JUNE 2011

NOTE 1: REPORTING ENTITY

Parker Resources NL (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Level 4, 66 Kings Park Road WEST PERTH WA 6005. The Company is primarily involved in the exploration of uranium and base metals.

NOTE 2: BASIS OF PREPARATION

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian interpretations) adopted by the Australian Accounting Standard Board ("AASB") and the Corporations Act 2001. The financial report of the Company also complies with the International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors on XX October 2011.

(b) Basis of Measurement

The financial report has been prepared on the historical cost basis except for financial instruments classified as available-for-sale, property plant and equipment and exploration and evaluation assets which are stated at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Share-based payment transactions:

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in this financial report.

(a) Income Tax

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

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

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(b) Impairment of assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

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

(c) Cash and cash equivalents

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

(d) Revenue

Interest

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

(e) Goods and Services Tax (GST)

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

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

(f) Finance Income and Finance Costs

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

(g) Employee Benefits

Short-term benefits

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

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

Other long-term employee benefits

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

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

(h) Exploration and Evaluation Assets

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

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

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

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

Exploration and evaluation assets are assessed for impairment when:

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

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

(h) Exploration and Evaluation Assets

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

(i) Financial Instruments

Initial recognition and measurement

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

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

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

(i) Financial Instruments

Available-for-sale financial assets

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

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

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

Financial liabilities

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

Fair value

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

Derecognition

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

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(j) Earnings Per Share

i. Basic earnings per share

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

ii. Diluted earnings per share

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(k) Borrowing Costs

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

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

(l) Provisions

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

(m) Segment reporting

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

(n) Share based payments

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

(o) Comparative Figures

As this is the first year, there are no comparative figures, however in future years, where required by Accounting Standards comparative figures will be adjusted to conform with changes in presentation for the current financial period, or as a result in changes in accounting policies.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(p) New accounting standards and interpretations not yet adopted

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2010.

- AASB2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB5, 8, 101, 107, 117, 118, 136, and 139)*
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 3, 7, 121, 128, 131, 132 and 139)*
- AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19.*

The adoption of these standards did not have any impact in the current period or any prior period and is unlikely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to impact on the Company's accounting for financial assets as it does not have any available for sale assets other than equity investments. This will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The Company has decided not to early adopt AASB 9.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective fore accounting periods beginning or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Company will apply the amended standard from 1 July 201. When the amendments are applied, the Company will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

(p) New accounting standards and interpretations not yet adopted

(iii) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Parker Resources NL is planning to list on the ASX and upon listing, will not be eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

NOTE 4: DETERMINATION OF FAIR VALUES

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

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

NOTE 5: LOSS BEFORE INCOME TAX

(a) Significant Revenues and Expenses	10 Jan 2011- 30 June 2011
The following significant revenue and (expense) items are relevant in explaining the financial performance:	
Interest revenue	37
Audit fees	(5,000)
Donations (Note 13)	(60,000)

NOTE 6: INCOME TAX EXPENSE

Reconciliation between tax expense and pre-tax loss:	
Accounting loss before income tax	(4,963)
At the domestic income tax rate of 30%	(1,489)
Income tax benefit	(1,489)
Unused tax losses	(4,963)
Potential benefit @ 30%	4,903

All unused tax losses were incurred in Australia.

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

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

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

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

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

NOTE 7: RELATED PARTY TRANSACTIONS

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

Other than transactions with key management personnel and their related entities (refer Note 8), there were no other related party transactions during the year.

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel

Names and positions held of key management personnel in office at any time during the year are:

Directors:

Mr Brian Thomas - Appointed 10 January 2011

Mr Paul Davey - Appointed 10 January 2011

Mr Jay Stephenson - Appointed 10 January 2011

Company Secretary:

Ms Julia Beckett – Appointed 22 June 2011

Mr Jay Richard Stephenson – Appointed 10 January 2011

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

(b) Key management personnel compensation

	10 Jan 2011 – 30 June 2011
Short-term employee benefits	-
Post employment benefits	-
Other payments	-
	-

(c) Equity instruments disclosure relating to key management personnel

Key Management Personnel hold no equity instruments in the Company at 30 June 2011

(d) Loans to key management personnel

There were no loans made to or from key management personnel of the Company during the period 10 January 2011 to 30 June 2011, or subsequently thereto.

(e) Other transactions with key management personnel

There have been no other transactions with key management personnel involving equity instruments other than those described in the tables above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 10 JANUARY 2011 to 30 JUNE 2011

	10 Jan 2011- 30 Jun 2011
NOTE 9: AUDITOR'S REMUNERATION	**$**
Remuneration of the auditor of the Company for:	
- Auditing or reviewing the financial reports	5,000
NOTE 10: DILUTED LOSS PER SHARE	
Diluted loss per share (cents)	
Loss attributable to members of Parker Resources NL	(22.31)
Weighted average number of shares outstanding during the year/period	291,228

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

NOTE 11: CASH AND CASH EQUIVALENTS

Cash at bank	130,840
Total cash and cash equivalents in the Statement of Cash Flows	130,840

	10 Jan 2011 – 30 Jun 2011
NOTE 12: TRADE AND OTHER PAYABLES	
CURRENT	
Accrued expenses and capital raising costs	17,000
Loans	130,000
Balance at end of the period	147,000
NOTE 13: ISSUED CAPITAL	
(a) Share Capital	
300,003 fully paid ordinary shares	3

(b) Movements in Ordinary Capital

	Date	Number	$
Balance at beginning of the period			-
Shares issued at $1.00	10 January 2011	3	3
Shares issued at $0.20	24 June 2011	300,000	60,000
Partly Paid Shares Issued (Note 13 (c))	24 June 2011	8,000,000	800
Capital raising costs			(12,000)
Balance at end of the period	30 June 2011		48,803

Note that the Shares issued at $0.20 were issued to Charities for no cost to the Charity but have been accounted at a nominal $0.20 per Share.

(c) Movements in Partly Paid Shares		Number
Balance at beginning of the period		-
Partly Paid Shares issued	24 June 2011	8,000,000
Balance at end of the period		8,000,000

* These partly paid shares were issued to promoters of the Company on 24 June 2011 at $0.0001 per Share.

d) Capital risk management

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

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

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

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

Cash and cash equivalents	130,840
Trade and other payables	(147,000)
	(16,160)

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

NOTE 14: CASH FLOW INFORMATION

	10 Jan 2011 – 30 Jun 2011
Reconciliation of Cash Flow (used in)/from Operating Activities to loss after income tax	
Loss after income tax	(64,963)
Adjustments for:	
Charitable Donations	60,000
Changes in assets and liabilities	
Increase in trade payables	5,000
Cash flow (used in)/from operating activities	37

NOTE 15: OPERATING SEGMENTS

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

At the balance date, the Company has entered into agreements to acquire projects in Northern Territory; however completion of the transaction is conditional on the Company listing on ASX.

Accordingly, management has identified no operating segments are present and no segmental information has been disclosed as the information presented in the financial statements represent the segmental information for Australia.

NOTE 16 – FINANCIAL RISK MANAGEMENT

The Company holds the following financial instruments:

Financial assets	**2011**
Cash and cash equivalents	130,840
Financial liabilities	
Trade and other payables	(147,000)
	(16,160)

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

(a) Market risk

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

Currency risk

The Company had no exposure to currency risk for the year ended 30 June 2011.

Fair value interest rate risk

Refer to (d) below.

(b) Credit risk

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

The credit quality of the financial assets is high in 2011. The table below details the credit quality of the financial assets:

		2011
Financial assets	**Credit Quality**	**$**
Cash and cash equivalents held at Westpac Bank	High	130,840

Impairment losses

There are no past due receivables for the Company.

(c) Liquidity risk

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

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

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

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

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

(d) Cash flow and fair value interest rate risk

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

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

2011	**Floating interest rate**	**Non-bearing interest**	**Total**
Financial Assets	**$**	**$**	**$**
Cash and cash equivalents	130,840	-	130,840
	130,840	-	130,840
Weighted average interest rate	4.31%		
Financial Liabilities			
Trade and other payables	-	17,000	17,000
Loans	130,000	-	130,000
	130,000	17,000	147,000
Weighted average interest rate	London Interbank Offered Rate +1%		

(e) Financial risk management

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

(f) Net fair value of Financial Assets and Liabilities

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

NOTE 17: COMMITMENTS FOR EXPENDITURE

Exploration Expenditure Commitments

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

NOTE 18: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2011.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

On 23 September 2011, the Company successfully listed on the ASX after raising a gross $3,500,000. The Company issued 13,500,000 shares and 250,000 shares to the Vendor as noted above.

There are no other events subsequent to reporting date.

NOTE 20: COMPANY DETAILS

The registered and principal office of the Company is:

Level 4, 66 Kings Park Road
West Perth WA 6005
Telephone 08 6141 3550
Facsimile 08 6141 3599
Website: www.Parkerresources.com.au
email: info@Parkerresources.com.au

DIRECTORS' DECLARATION

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

   (a) the financial statements and notes and the Remuneration report in the Directors' report, set out on pages 5 to 29, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial period ended on that date; and

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

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

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

2 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Financial Officer for the financial year ended 30 June 2011.

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

Jay Stephenson
DIRECTOR
Dated at Perth this 5 day of October 2011

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as
Stantons International
Chartered Accountants and Consultants

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

Report on the Financial Report

We have audited the accompanying financial report of Parker Resources NL, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period 10 January 2011 to 30 June 2011, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the entity.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Parker Resources NL is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the entity's financial position as at 30 June 2011 and of its performance for the period ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 5 to 6 of the directors' report for the year ended 30 June 2011. 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

Auditor's opinion
In our opinion the remuneration report of Parker Resources NL for the year ended 30 June 2011 complies with section 300 A of the *Corporations Act 2001.*

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

Stantons International Audit and Consulting Pty Ltd

J P Van Dieren
Director

West Perth, Western Australia
5 October 2011

CORPORATE GOVERNANCE STATEMENT

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

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;

2 Structure the Board to add value;

3 Promote ethical and responsible decision-making;

4 Safeguard integrity in financial reporting;

5 Make timely and balanced disclosure;

6 Respect the rights of shareholders;

7 Recognise and manage risk;

8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

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

Roles and Responsibilities:

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

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

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

The Board regularly reviews the performance of senior executives.

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

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

2. Structure the Board to add value.

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

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

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

CORPORATE GOVERNANCE STATEMENT

Recommendation 2.4: *Establishment of a nominations committee.*

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

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

General Comments:

Membership

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

Chairman and Managing Director

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

Nomination Committee

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

Skills

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

Experience

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

Meetings

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

Independent professional advice

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

3. Promote ethical and responsible decision-making.

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

Recommendation 3.2: *Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.*

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

Recommendation 3.3: *Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

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

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

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

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

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

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

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

4. Safeguard integrity in financial reporting.

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

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

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

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

General Comments:

Integrity of Company's Financial Condition

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

CORPORATE GOVERNANCE STATEMENT

Audit Committee

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

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

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

5. Make timely and balanced disclosure.

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

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

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

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

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

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

6. Respect the rights of shareholders.

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

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

General Comments:

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

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

CORPORATE GOVERNANCE STATEMENT

7. Recognise and manage risk

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

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

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

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

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

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

General Comments:

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

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

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

8. Remunerate fairly and responsibly

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

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

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

General Comments:

Principles used to determine the nature and amount of remuneration

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

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

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

CORPORATE GOVERNANCE STATEMENT

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

Remuneration Committee

Members of the Remuneration Committee are the Board members.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report and Note 8 to the financial statements.

Departure from Best Practice Recommendations

From 15 January to 30 June 2011, the Company complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

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

1 Shareholding as at 27 September 2011

(a) Distribution of Shareholders

Category (size of holding)	Number of Shareholders
1 – 1,000	3
1,001 – 5,000	-
5,001 – 10,000	205
10,001 – 100,000	212
100,001 – and over	26
	446

(b) The number of shareholdings held in less than marketable parcels is 1.

(c) Voting Rights

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

Ordinary shares

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

(d) 20 Largest Shareholders — Ordinary Shares as at 27 September 2011

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Court Securities Pty Ltd	750,000	4.16
2.	Inswinger Holdings Pty Ltd <Keidon Super AC>	750,000	4.16
3.	Mr Peter Leuzzi	590,000	3.27
4.	Mr R A De Souza and Mrs K De Souza <De Souza Super Fund AC>	500,000	2.77
5.	Mr A G Jenzen & Mrs E Jenzen <A & E Jenzen P/L No2 S/F AC>	500,000	2.77
6.	Palace Trading Investments Ltd	500,000	2.77
7.	Mr R J Peters & Mrs S L Peters <Peters Super Fund AC>	500,000	2.77
8.	Second Impact Investments Limited	500,000	2.77
9.	WB Nominees Limited	500,000	2.77
10.	Goldenwing Nominees Pty Ltd <The Robinson Family AC>	375,000	2.08
11.	Biancolla Ltd	250,000	1.39
12.	Excelsior Gold Limited	250,000	1.39
13.	Ferncastle Holdings Pty Ltd <NJ Pinner Super Fund AC>	250,000	1.39

14.	Mr M F Manford <Atlo Super Fund AC>	250,000	1.39
15.	Mimo Strategies Pty Ltd <Mimo AC>	250,000	1.39
16.	Sgian Dubh Pty Ltd	250,000	1.39
17.	Vynben Pty Ltd <Mark Hohnen Super Fund AC>	250,000	1.39
18.	Mr Antonio Del Casale	205,000	1.14
19.	Mr N Giles & Mrs S Giles <NK+SL Giles Super Fund AC>	200,000	1.11
20.	Mr D A Paganin <DA Paganin Family No 2 AC>	200,000	1.11
		7,820,000	43.38

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

3 The address of the principal registered office in Australia is Level 4, 66 Kings Park Road West Perth WA 6005. Telephone (08) 6141-3525

4 Registers of securities are held at the following addresses

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

5 Stock Exchange Listing

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

6 Unquoted Securities

Options over Unissued Shares

There are no options over unissued shares.

7 Use of Funds

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

TENEMENT SCHEDULE

Project Area	Tenement Numbers
Allambi	EL25347