EXALT RESOURCES LIMITED
ANNUAL REPORT

ABN 17 145 327 617

FOR THE PERIOD 21 JULY 2010 TO 30 JUNE 2011

DIRECTORS' REPORT

The Directors present their report on the Company for the period from 21st July 2010 to 30 June 2011.

DIRECTORS

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

Emmanuel Correia, B.Bus ACA, Non-Executive Director (Appointed on 21 July 2010)
Member of Audit Committee

Emmanuel Correia is a Chartered Accountant and has extensive experience in the corporate finance and equity capital markets. Emmanuel has had over 20 years' public accounting and corporate finance experience both in Australia, North America and the United Kingdom. He has held various senior positions with Deloitte and other accounting firms and boutique corporate finance houses.

Emmanuel provides corporate advice to a diverse client base both in Australia and in overseas markets. Emmanuel has previously held a number of public company directorships and his key areas of expertise include initial public offerings and secondary capital raisings, corporate strategy and structuring and merger and acquisitions.

Emmanuel is also a director of Forge Resources Ltd and company secretary of Bluglass Ltd and Jatenergy Ltd.

Emmanuel was appointed to the Board as non-executive Director, However Emmanuel will act as the executive director to the Company until an appropriate executive director is appointed to the Board. Emmanuel will then resume his role as non-executive Director.

Jim Malone, Non-Executive Director (Appointed on 15 February 2011)
Member of Audit Committee

Jim Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 20 years.

Jim holds a Bachelor of Commerce from the University of Western Australia and is an member of the Australian Society of Certified Practicing Accountants.

Since 2000, Jim has worked in the resources industry and has been involved with the start up, successful listing and ongoing management and development of six ASX listed and two unlisted resource companies and has experience with a diverse range of commodities including gold, base metals, uranium, oil and gas and industrial minerals. These companies have operated projects in Latin America, Europe, Africa, the US and Australia.

Jim also serves on the boards of Australian-American Mining, Latin Gold Limited, Richmond Mining Limited and Forge Resources Limited.

Shane Hartwig, Non-Executive Director (Appointed on 21 July 2010)
Member of Audit Committee

Shane Hartwig is a Certified Practicing Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Shane is involved in the areas of initial public offerings, capital raisings, prospectus and information memorandum preparation and project management, company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice. Shane has over 15 years' experience in the finance industry both nationally and internationally with exposure to both the debt and equity capital markets.

Shane is Company Secretary of Anteo Diagnostics Limited and Forge Resources Limited on a contract basis.

Geoff Barnes, Non-Executive Director (Appointed on 21 July 2010 and resigned effective 15 February 2011)

DIRECTORS' REPORT

COMPANY SECRETARY

The name of the company secretary of the Company as at the end of the financial year and at the date of this report is:

Shane Hartwig, Company Secretary

Shane Hartwig is a Certified Practicing Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Shane is involved in the areas of initial public offerings, capital raisings, prospectus and information memorandum preparation and project management, company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice. Shane has over 15 years' experience in the finance industry both nationally and internationally with exposure to both the debt and equity capital markets.

Shane is also Company Secretary of Anteo Diagnostics Limited and Forge Resources Limited on a contract basis.

PRINCIPAL ACTIVITIES

The Company was formed on 21 July 2010 as a resource and energy exploration company. The Company's primary objective is to build a resource and energy business at a time when the global demand for resources and energy is high.

OPERATING RESULTS

The net loss of the company after income tax for the period was $70,229.

DIVIDENDS

No dividends have been paid or declared by the Company since the beginning of the period.

FINANCIAL POSITION

The net assets of the company at 30 June 2011 were $3,139,470. This resulted from proceeds from shares issued by public placement. At 30 June 2011 the company had a cash balance of $3,238,786.

STATE OF AFFAIRS

Significant changes in the state of affairs of the company during the period were as follows:

(i) The company was formed on 21 July 2010;
(ii) Raised $3,125,000 in capital by issuing 15,625,000 shares at $0.20;

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Exalt was incorporated in 2010 as a resource and energy exploration company.

BACKGROUND

Exalt was formed in 2010 to participate in the exploration and acquisition of mineral and energy related assets both in Australia and overseas. Since its incorporation, the Company acquired 100% ownership of its two foundation projects – Mineral Hill South and Nyngan.

DIRECTORS' REPORT

PROJECTS

The Mineral Hill South Project covers 116km² of land located 3km to the south of the Mineral Hill Mine in NSW and the Nyngan Project covers 160km² of land in central west NSW targeting porphyry copper and epithermal gold mineralisation.

MINERAL HILL SOUTH PROJECT

Exalt's Mineral Hill South Project is adjacent to the Mineral Hill Project owned by Kimberley Metals Ltd approximately 3km south of the recently discovered Pearse South Deposit which currently has Proven & Probable Reserves of 235,240t @ 6.72g/t Au & 71.7g/t Agt.

The Mineral Hill South Project is also situated approximately 2.1km from the recently announced Blind Calf discovery by Kidman Resources Ltd which has been reported to contain, 23m @ 7.07% Cu (Hole K11-17). The mineralisation is not included in a JORC compliant resource.

NYNGAN PROJECT

The Nyngan Project comprises 160 km² of land located approximately 12km south of Nyngan, in central west NSW. The land covered by the Nyngan Project is flat and easily accessible by sealed roads. Current land uses consist of grazing and winter cereal cropping. The Nyngan Project covers a magnetic complex which is inferred to be part of the Nyngan Intrusive Complex beneath transported Quarternary alluvium around the Bogan River.

EXPLORATION ACTIVITY

During the period, Exalt commenced its exploration activities which comprised detailed 3D IP surveys over three prospect areas within EL7663 Mineral Hill South which were designed to delineate areas of chargeability under shallow cover along strike to the south and south-east of Mineral Hill.

These IP surveys were completed in early July 2011. The completed 3D IP (Induced Polarisation) surveys highlighted a number of promising chargeability anomalies within two of the three areas tested. The Mineral Hill mineralisation was highlighted as subtle chargeability anomalies in IP surveys in 1970 by Cyprus Mines Corporation.

In addition to the favourable chargeability responses from the survey, the newly defined chargeability anomalies occur on the contact between the Mineral Hill Volcanics and the adjacent Talingaboolba Sediments just as the mineralisation at Mineral Hill.

The company has commenced drilling on its 100% owned Mineral Hills South Project EL7663. 1,500m of RC drilling has been designed to target the most promising chargeability anomalies identified in the 3D IP (Induced Polarisation) surveys that took place in July-August.

OTHER PROJECTS

A critical part of the Company's charter is to develop its existing exploration projects as well as to actively seek to acquire or participate in further resource and energy projects of interest both in Australia and internationally. The Company continues to review other potential projects of interest.

INITIAL PUBLIC OFFERING

During the period the Company lodged a Prospectus with the Australian Securities and Investments Commission seeking to raise $3.125 million through the offer of 15,625,000 fully paid ordinary shares at an issue price of $0.20 plus a free attaching option for every three shares subscribed for. Each option has an exercise price of $0.20 and an expiry date of 31st December 2015. The funds raised from the offer were to be applied towards the initial 2 year exploration and work program, actively pursue and acquire additional mineral and energy related assets in Australia and overseas, working capital and meeting the costs of the offer.

DIRECTORS' REPORT

The Company was admitted to Official List of the ASX after successfully closing its initial public offering where it raised $3.125 million in new equity through the issue of 15,625,000 fully paid ordinary shares at an issue price of $0.20 per share plus 5,208,568 free attaching options. The Company commenced trading of its securities on the 24th May 2011.

During the subsequent financial years the likely developments of the Company will be subject to funding and exploration for energy related assets.

ENVIRONMENTAL ISSUES

The Company's operations are subject to significant environmental and other regulations. The Company has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial period and at the date of this report.

REMUNERATION REPORT

Details of the nature and amount of remuneration for each Director of Exalt Resources Limited and key management personnel and for the executives receiving the highest remuneration are set out below.

Remuneration Policy and Practices

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

(i) Non-Executive Directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to its Non-Executive Directors and will review their remuneration annually.

The maximum aggregate annual remuneration of Non-Executive Directors is subject to approval by the shareholders in general meeting. The shareholders have determined at a general meeting held on 2 November 2010 the maximum aggregate remuneration amount to be $300,000 per year. The Directors have resolved that the fees payable to non-executive directors for all Board activities are $105,000 per year plus superannuation guarantee contributions of 9% per annum where required by legislation.

(ii) Key management personnel

To pursue the Company's objectives, the Company has assembled a group of Director's which we believe have extensive experience in the exploration and finance industries. The Company will recruit appropriate key executive management personnel commensurate with the Company's growth in activity. The remuneration structure for these key executive management, including Executive Directors will be based on a number of factors, including qualifications, particular experience, general past performance of the individual concerned, overall performance of the Company and general human resources market pricing. There is no predetermined equity compensation element within the remuneration structure nor predetermined performance conditions to be satisfied.

Company performance and director and executive remuneration

The aim of the Company's remuneration policy is to achieve goal congruence between the Company's shareholders, directors and executives.

The Board adopted the Exalt Resources Limited Employee Share Option Plan on 2 November 2010 (Plan).

The Plan is designed to:

- provide eligible participants with an ownership interest in Exalt;
- provide additional incentives for eligible participants; and

DIRECTORS' REPORT

• attract, motivate and retain eligible participants.

As at the date of this Report, 300,000 Options have been granted under the Plan.

A summary of the Plan is set out below.

General
The Plan relates to the grant of Options to subscribe for Shares. The Board may from time to time, in its absolute discretion, offer to grant Options to eligible participants under the Plan.

Each Option will be issued for no consideration and will carry the right in favour of the Optionholder to subscribe for one Share.

Eligible Participants
Full or part time employees, directors and consultants of the Company or an associated body corporate will be entitled to participate in the Plan.

Amount of Options to be issued under the Plan
The formula by which the entitlements of eligible participants shall be determined will be at the absolute discretion of the Board and shall take into account skills, experience, length of service with the Company, remuneration level and any other criteria the Board considers appropriate in the circumstances.

The Board will not issue Options under the plan if the total number of Shares the subject of the Options, when aggregated with:

- the number of Options to be granted;
- the number of Shares which would be issued if all current Options granted under any employee incentive scheme, including the plan, were exercised; and
- the number of Shares which have been issued as a result of the exercise of Options granted under any employee incentive scheme, including the plan, where the Options were granted during the preceding 5 years, would exceed 5% of the total number of issued Shares at the time of the issue.

Option Terms
Options issued under the Plan will be subject to the terms determined by the Board in its sole discretion, which may include exercise conditions to be satisfied prior to the vesting of the Options.

Each Option issued under the Plan will be exercisable for one Share each at an exercise price to be determined by the Board at the time of issue and will not be quoted on the ASX.

The Shares issued on the exercise of an Option will rank equally with the other Shares on issue, and Exalt will apply to the ASX for Quotation of those Shares.

Lapse of Options
Unless the Board in their absolute discretion determine otherwise, Options shall lapse on the date which is the earlier of:

(i) two (2) years after the date of the grant of that Option, or such other date as the Board determines in its discretion with respect to that Option at the time of the grant of that Option;
(ii) the Optionholder ceases to be an employee or director of, or to render services to the Company for any reason whatsoever (including without limitation resignation or termination for cause) and the exercise conditions imposed at the time of the grant of the Option have not been met;
(iii) or the Exercise Conditions are unable to be met.

DIRECTORS' REPORT

Participation in Future Issues
There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in the new issues of capital offered to Shareholders during the currency of the Options. However, Exalt will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or satisfaction of dividends or by way of dividend reinvestment) the exercise price of the Options shall be adjusted in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue of lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

Reorganisation
The terms upon which Options will be granted will not prevent the Options being reorganised as required by the Listing Rules on the reorganisation of the capital of Exalt.

Management of the Plan
The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan. The Board may amend the Rules of the Plan subject to the requirements of the Listing Rules. The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

Remuneration of Directors for the period to 30 June 2011

	Short-term benefits		Post employment		Share-based payments		Total remuneration represented by options and rights
	Cash salary and fees	Non-cash benefits	Super-annuation	Termi-nation benefits	Options	Total	
	$	$	$	$	$	$	%
2011							
Directors							
E Correia	5,833	-	-	-	-	5,833	-
J Malone	2,917	-	-	-	-	2,917	-
S Hartwig	2,917	-	-	-	-	2,917	-
G Barnes *	-	-	-	-	-	-	-
	11,667	-	-	-	-	11,667	-
• Resigned effective 15 February 2011							
Other Key Management Personnel							
David Ward	-	-	-	-	23,370	23,370	100%
Total	11,667	-	-	-	23,370	35,037	67%

DIRECTORS' REPORT

Directors' securities holdings

As at the date of this report, the relevant interests of the Directors in the securities of the company were as follows:

	Number	
	Fully paid ordinary shares	**Options**
Emmanuel Correia	1,206,251	1,702,085
Jim Malone	120,000	40,004
Shane Hartwig	1,350,001	1,550,001
	2,676,252	3,292,090

End of audited Remuneration Report

SHARE OPTIONS

Number of options over unissued ordinary shares at the date of this report were as follows:

Options exercisable at $0.20 per share on or before 31 December 2015	16,008,568

MEETINGS OF DIRECTORS

Attendances by each director to meetings of directors (including committee of directors) during the period to 30th June 2011 were as follows:

	Directors Meetings		**Audit Committee Meetings**	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**
Emmanuel Correia	8	8	-	-
Jim Malone	2	2	-	-
Geoff Barnes*	6	6	-	-
Shane Hartwig	8	8	-	-

*Resigned effective 15 February 2011

During the period, some Board business was affected by execution of circulated resolutions.

INDEMNIFYING OFFICERS OR AUDITORS

Since the end of the financial period, the Company has paid a premium of $8,513 in respect of a contract insuring the Directors and officers of the Company against a liability incurred by such Directors and officers to the extent permitted by the Corporations Act 2001. The Company has not otherwise, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Company, or of any related body corporate, against a liability incurred by such the auditor.

PROCEEDINGS

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 in the period.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future financial years.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non audit services by the auditor during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not compromise the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by Accounting Professional and Ethical Standards Board.

During the period 21 July 2010 to 30 June 2011 the Company paid Hall Chadwick Corporate (NSW) Limited professional fees of approximately $15,000 for accounting services in connection with the Company's initial public offering prospectus. The Board of Directors has approved the provision of these services.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the period 21 July 2010 to 30 June 2011 has been received and can be found on page 10 of the Annual Report and form part of this report.

Signed in accordance with a resolution of the Board of Directors.

S Hartwig

Shane Hartwig
Director

Dated this 26th day of September 2011

HALLCHADWICK
Chartered Accountants and Business Advisers

EXALT RESOURCES LIMITED
ABN 17 145 327 617

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EXALT RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2011 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, SYDNEY NSW 2001

Graham Webb
Partner
Dated: 26 September 2011

SYDNEY

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BRISBANE

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GOLD COAST

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CORPORATE GOVERNANCE STATEMENT

The Company has adopted a comprehensive system of control and accountability as the basis for the administration of corporate governance.

The Board is responsible to Shareholders for the overall management of the Company's business and affairs. The Directors' overriding objective is to increase Shareholder value within an appropriate framework which protects the rights and interests of Shareholders and ensures the Company is properly managed.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles and Recommendations (2nd edition) **("Principles & Recommendations")** as published by ASX Corporate Governance Council.

The Company's corporate governance principles and policies are structured with reference to the ASXCGC's Corporate Governance Principles and Recommendations (2nd edition), which are as follows:

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

In accordance with recommendations of the ASX, information published on the Company's web site includes charters of Board and its subcommittees, codes of conduct and other policies and procedures relating to the Board and its responsibilities. A copy of the Company's Corporate Governance Statement can be found on the Company's website www.Exaltresources.com.au under the Corporate Governance Section.

To the extent that they are relevant to the organisation, the Company has adopted the eight Corporate Governance Principles (2nd edition) **("Principles and Recommendations")** as published by the ASX Corporate Governance Council.

The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient as the Company's activities develop in size, nature and scope.

The Board sets out below its "if not, why not" report. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

The table below summarises the eight principles and recommendations (P&R) and those recommendations not adopted by the Company.

	ASX P & R[1]	**If not, why not**[2]		**ASX P & R**[1]	**If not, why not**[2]
Recommendation 1.1	✔		**Recommendation 4.3**	✔	
Recommendation 1.2	✔		Recommendation 4.4	✔	
Recommendation 1.3	✔		Recommendation 5.1	✔	
Recommendation 2.1	✔		Recommendation 5.2	✔	
Recommendation 2.2		✔	Recommendation 6.1	✔	
Recommendation 2.3	✔		Recommendation 6.2	✔	
Recommendation 2.4		✔	Recommendation 7.1	✔	
Recommendation 2.5	✔		Recommendation 7.2	✔	
Recommendation 2.6	✔		Recommendation 7.3	✔	
Recommendation 3.1	✔		Recommendation 7.4	✔	

CORPORATE GOVERNANCE STATEMENT

Recommendation 3.2	✔	Recommendation 8.1		✔
Recommendation 3.3	✔	Recommendation 8.2		✔
Recommendation 3.4	✔	Recommendation 8.3	✔	
Recommendation 3.5	✔	Recommendation 8.4	✔	
Recommendation 4.1	✔			
Recommendation 4.2	✔			

Notes

1 Indicates where the Company has followed the Principles and Recommendations.

2 Indicates where the Company has provided "if not, why not" disclosure.

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

Disclosure:

As contained in the Company's Corporate Governance Statement, the Chairman will review the performance of all Senior Executives on an ongoing basis by way of informal meetings and report his findings to the Board.

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

Disclosure:

A summary of the Company's Board Charter and functions reserved for the Board and Executive Chairman is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

Recommendation 2.2: *The Chair should be an independent director.*

Notification of Departure:

The Chair, Emmanuel Correia is considered not to be an independent Director by virtue that his role may require him to perform certain executive function on behalf of the Company from time to time.

Explanation for Departure

The Board believes that the composition of the Board is both appropriate and acceptable at this stage of the Company's development and includes an appropriate mix of skills and expertise, relevant to the Company's current business. The Board will seek to recruit additional executive resources commensurate with its increased level of activity.

Recommendation 2.4: *The board should establish a nomination committee.*

Notification of Departure:

The Company has not established a separate Nomination Committee.

Explanation for Departure:

The full Board considers those matters that would usually be the responsibility of a nomination committee.

CORPORATE GOVERNANCE STATEMENT

Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it will operate under the Nomination Committee Charter. The Nomination Committee Charter provides for the Board to meet at least annually and otherwise as required.

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

Disclosure:

The full Board, in its capacity as the Nomination Committee, is responsible for evaluating the performance of the Board, its committees and individual Directors. The Board, committees and individual Directors are evaluated annually by way of informal meetings. If required the Board may also engage the services of independent performance evaluation consultants to assist in the evaluation of all or some of its directors.

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

Disclosure:

The independent Directors are Shane Hartwig and Jim Malone. The Directors are independent as they are non-executive Directors who are not a members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgment.

To assist Directors with independent judgement, it is the Board's policy that the Directors may seek independent professional advice at the Company's expense, subject to prior consultation with the Chair of the Board.

The full Board carries out the role of the Nomination Committee. To assist the Board to fulfil its function as the Nomination Committee, it has adopted Remuneration and Nomination Committee Charter, which is publicly available on the Company's website under the section, marked Corporate Governance.

In determining candidates for the Board, the full Board in its capacity as the Nomination Committee follows a prescribed procedure which is publicly available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Under the Company's Constitution, if there are 3 or more Directors then one third of the Directors (excluding the Managing Director) must retire at every annual general meeting. Retiring directors are eligible for re-election. Re-appointment of Directors is not automatic.

Recommendation 3.2: *The entity has established a policy concerning diversity and has disclosed the policy or a summary of that policy on its website at www.exaltresources.com.au. The policy includes requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.*

Exalt is in the process of formulating reporting against the measurable objectives relating to its Diversity Policy in advance of its adoption in the 2012 financial year. This policy will outline the Company's commitment to diversity and the active steps the Company will take in implementing the policy, commensurate with a company of its size and the industry with which it operates.

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

CORPORATE GOVERNANCE STATEMENT

Recommendation 3.4: *The entity has disclosed in the annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the board.*

As these recommendations come into effect for the 2012 financial year, the Company will disclose in its 2012 annual report the requirements of Recommendations 3.3 and 3.4.

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

Disclosure:

Exalt has established a Code of Conduct and a Share Trading policy which all executives and employees are expected at a minimum to follow. The Company's Code of Conduct and Share Trading policy is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

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

Disclosure:

The Company has a Risk Management Policy and an Audit and Risk Management Committee Charter, a copy of which is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

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

Disclosure:

A summary of the Company's policy to guide compliance with ASX Listing Rule disclosure is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

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

Disclosure:

A summary of the Company's shareholder communication strategy is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

Recommendation 7.3: *the Board should disclose whether it has received assurance from the chief executive 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.*

The Board has obtained written assurance from the Chairman and CFO in relation to the above statement.

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

The Company has established an Audit and Risk Management Committee to monitor and review on behalf of the Board the system of risk management which the Group has established. This system aims to identify, assess, monitor and manage operational and compliance risks.

CORPORATE GOVERNANCE STATEMENT

In addition the Company has established a Risk Management policy to ensure that procedures are in place to identify, monitor and report on risks facing the Company.

A copy of the Audit and Risk Management Charter and the Risk Management policy is available on the Company's website a t www.Exaltresources.com.au under the section marked Corporate Governance.

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

Recommendation 8.2: *The remuneration committee is structured so that it:*

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

Notification of Departure:

The Company has not established a separate Remuneration Committee.

Explanation for Departure:

The full Board considers those matters that would usually be the responsibility of a remuneration committee.

Given the size of the Board and the Company's current operations, the Board considers that no efficiencies or other benefits would be gained by establishing a separate committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it will operate under the Remuneration Committee Charter. The Remuneration Committee Charter provides for the Board to meet at least annually and otherwise as required.

Under the Remuneration and Nomination Committee Charter, the role of the Board (when convening as the Remuneration Committee) is to review the Company's remuneration practices and policies and establish appropriate remuneration levels including incentive policies for Directors and senior executives.

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

Disclosure:

As noted above, the full Board performs the function of the Remuneration Committee. To assist the Board to fulfil this function, it has adopted a Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at www.Exaltresources.com.au under the section marked Corporate Governance.

The explanation for departure set out under Recommendations 8.1 and 8.2 above explains how the functions of the Remuneration Committee are performed.

There are no termination or retirement benefits for non-executive Directors (other than for superannuation).

It is the Company's policy to prohibit transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

STATEMENT OF COMPREHENSIVE INCOME

For the period 21st July 2010 to 30 June 2011

	Note	2011
		$
Revenue	2	24,282
Consultancy expenses		(15,400)
Professional fees	5	(15,000)
Directors' Fees		(11,667)
Share-based compensation		(23,340)
Other expenses	3	(29,104)
Loss before income tax		(70,229)
Income tax expense	4	-
Loss after income tax		(70,229)
Other comprehensive income		
Other comprehensive income for the year, net of tax		-
Other comprehensive income for the period		-
Total comprehensive loss for the period attributable to members of the Parent Entity		(70,229)
		Cents
Earnings per share		
From continuing operations:		
Basic and diluted loss per share	18	9.50

The above statement of comprehensive income 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	6	3,238,786
Trade and other receivables	7	27,990
TOTAL CURRENT ASSETS		3,266,776
NON-CURRENT ASSETS		
Other non-current assets	8	140,962
TOTAL NON-CURRENT ASSETS		140,962
TOTAL ASSETS		3,407,738
CURRENT LIABILITIES		
Trade and other payables	9	268,268
TOTAL CURRENT LIABILITIES		268,268
TOTAL LIABILITIES		268,268
NET ASSETS		3,139,470
EQUITY		
Issued capital	10	3,186,359
Reserves	10	23,340
Accumulated losses		(70,229)
TOTAL EQUITY		3,139,470

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

STATEMENT OF CHANGES IN EQUITY

For the period 21st July 2010 to 30 June 2011

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	$	$	$	$
Balance on Incorporation	3	-	-	3
Total comprehensive loss for the period	-	-	(70,229)	(70,229)
Transactions with owners in their capacity as owners:				
Shares issued during the period	3,545,000	-	-	3,545,000
Transaction costs	(358,644)	-	-	(358,644)
Options granted under employee incentive plan	-	23,340	-	23,340
	3,186,359	23,340	(70,229)	3,139,470
Balance at 30 June 2011				

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

STATEMENT OF CASH FLOWS

For the period 21st July to 30 June 2011

	Note	2011 $
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(36,902)
Interest received		24,282
Net cash used in operating activities	15(b)	(12,620)
CASH FLOW FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure		(39,203)
Net cash used in financing activities		(39,203)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares		3,545,003
Capital raising costs		(254,394)
Net cash provided by/(used in) financing activities		3,290,609
Net increase in cash and cash equivalents held		3,238,786
Cash at beginning of period		-
Cash at end of period	15(a)	3,238,786

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

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

Note 1 - Statement of Significant Accounting Policies

The financial statement covers the Company of Exalt Resources Limited. Exalt Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

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.

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 as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and 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.

Going concern basis of accounting

The financial statements have been prepared on a going concern basis. The Company has incurred an operating loss during the period of $70,229. The Directors are managing the Company's cash flows carefully to meet its operational commitments. The Company has been successful in raising capital of $3,545,000 during the period and has $3,238,786 in cash and cash equivalents at the end of the period. The Directors consider that the going concern basis is appropriate for the following reasons.

The Company undertook a capital raising through an initial public offering and raised $3,125,000 at $0.20 a share and was successful in achieving a listing of the Company's securities on the Australian Stock Exchange (ASX) effective 24 May 2011.

Accordingly the Company has sufficient working capital to carry out its stated objectives for at least 12 months from the date of this report. If the Company undertakes an acquisition of additional project(s) then it may have to raise additional capital to fund the development of these, however no allowance for such circumstances has been made in the financial statements.

Accounting Policies

(a) Revenue

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

Other revenue is recognised as it accrues.

(b) Income tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

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 the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

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 the end of the reporting period. 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.

(c) Cash and cash equivalents

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

(d) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is 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 that 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.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(e) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of the Company is measured in Australian dollars. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the period are translated into functional currency using the rates of exchange prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

(f) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(g) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenses. Receivables and payables are stated with the amount of GST included.

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

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Earnings per share

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of the Parent Entity by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share adjusts the figures used in the determination of basic loss per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

When the Company has an operating loss after income tax and the conversion of ordinary share capital in respect of potential ordinary shares does not lead to a diluted earnings per share that shows an inferior view of the earnings performance of the Company, than is shown by basic loss per share, the diluted loss per share is reported the same as basic loss per share.

(k) Equity-settled compensation

The Company may operate equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(l) Segment reporting

The Company identifies its reportable operating segments based on the internal reports that are reviewed by the Board of directors. Corporate office activities are not allocated to a seperate operating segment and form part of the balance of unallocated revenue, expenses, assets and liabilities.

(m) Accounting Estimates and Judgments

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

(n) Accounting Period

The Financial report covers the period from 21 July 2010 (being the date of incorporation) to 30 June 2011. Accordingly, there are no comparatives.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

– AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

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

– AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

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

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

AASB 2010–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

– AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

– AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

  This Standard is not expected to impact the Group.

– AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

  - clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
  - adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
  - amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
  - adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
  - making sundry editorial amendments to various Standards and Interpretations.

  This Standard is not expected to impact the Group.

– AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

  This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

– AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

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

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

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

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

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

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

– AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

– AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to 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).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

	2011
Note 2 – Revenue	**$**
Non - operating activities	
- interest income	24,282
	24,282

Note 3 – Expenses

Audit fees (see Note 5)	15,000
Consulting fees	15,400
Share registry costs	11,964
Insurance	11,715
Licence and other fees	67
Other expenses	5,358
	59,504

Note 4 - Income tax expense

(a) The components of income tax expense comprise:	
Deferred tax	(14,067)
Deferred tax assets not recognised	14,067
	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	
Prima facie tax benefit on the loss from ordinary activities	21,069
Add:	
Tax effect of:	
Share options expensed during period	7,002
Less:	
Tax effect of:	
Deferred tax assets not recognised	14,067
Income tax expense	-

Tax losses	**$**
Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	67,374

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

The taxation benefits will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
(ii) the Company continues to comply with the conditions for deductibility imposed by law; and
(iii) no changes in tax legislation adversely affect the Company in realising the benefits from the deductions for the loss.

Note 5 – Auditor's remuneration

	2011
	$
Remuneration of the auditor for:	
- auditing or reviewing the financial reports	15,000
- corporate services	15,000
	30,000

Note 6 – Cash and cash equivalents

Cash at bank and on hand	3,238,786

Note 7 - Trade and other receivables

Current	
Other receivables	27,990

(a) Effective interest rates and credit risk

There is no interest rate risk for the balance of trade and other receivables.

All amounts past due are considered impaired and provided against. All other receivables are within credit terms and not considered impaired.

Note 8 - Other current assets

Exploration expenditure capitalised (exploration and evaluation phase – incurred expenditure)	140,962

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Note 9 – Trade and other payables

Trade payables	146,101
Sundry payables and accrued expenses	122,167
	268,268

Note 10 – Issued capital

25,125,003 fully paid ordinary shares	3,186,359

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

	2011 No of shares	2011 $'s
(a) Fully paid ordinary shares		
Issue of shares during the period:		
- Founder shares on incorporation	3	3
Shares issued during the period		
- 12 October 2010	2,000,000	-
- 9 November 2010	3,000,000	60,000
- 20 January 2011	3,000,000	180,000
- 23 February 2011	1,500,000	180,000
- 20 May 2011	15,625,000	3,125,000
Transaction costs		(358,644)
Balance at end of reporting period	25,125,003	3,186,359

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

Ordinary shares have no par value.

(b) Options over unissued shares

	2011 Number
Options exercisable at $0.20 each on or before 31 December 2015	
Balance at beginning of reporting period	-
Issued during the period	16,008,568
Balance at end of reporting period	16,008,568

8,000,000 options were issued on 15 September 2010 to the founding investor/shareholder group. Of this amount 2,566,252 were issued to Directors of the Company in their capacity as founding investor/shareholders.

2,500,000 options were issued in three tranches (1,000,000 on 9 November 2010, 1,000,000 on 20 January 2011 and 500,000 on 23 February 2011) as part of the seed capital raising undertaken by the Company. The Company issued 300,000 incentive options on 23 February 2011 to David Ward consulting geologist. The Company issued 15,625,000 fully paid ordinary shares on 20 May 2011 at an issue price of $0.20, plus each applicant received one free option for every three shares subscribed for.

(c) Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options granted but not exercised.

(d) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

Note 11 – Controlled entities

The Company does not have any interests in any subsidiaries.

Note 12 – Interests of key management personnel (KMP)

Names and positions held of Company key management personnel in office at any time during the period were:

E Correia (appointed 21 July 2010)	Executive Chairman
S Hartwig (appointed 21 July 2010)	Non-executive Director
J Malone (appointed 15 February 2011)	Non-executive Director
Geoff Barnes (appointed 21 July 2010) (resigned effective 15 February 2011)	Non-executive Director

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the period ended 30 June 2011.

(a) KMP share holdings

The number of ordinary shares in Exalt Resources Ltd held directly and indirectly by each key management personnel of the Company during the period is as follows:

	Balance at beginning of year or date of appointment	Granted as compensation	Issued on exercise of options	Other changes*	Balance at end of year or date of resignation or cessation
2011					
E Correia	-	-	-	1,206,251	1,206,251
J Malone	-	-	-	120,000	120,000
S Hartwig	-	-	-	1,350,001	1,350,001
G Barnes **	-	-	-	1,500,000	1,500,000
Total	-	-	-	4,176,252	4,176,252

* Founder and placement shares subscribed for.
** Resigned effective 15 February 2011

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

(b) KMP Option holdings

	Balance at beginning of year or date of appointment	Granted as compensation	Issued on exercise of options	Other changes*	Balance at end of year or date of resignation or cessation
2011					
E Correia	-	-	-	1,702,085	1,702,085
J Malone	-	-	-	40,004	40,004
S Hartwig				1,550,001	1,550,001
G Barnes **	-	-	-	2,000,000	2,000,000
Total	**-**	**-**	**-**	**5,292,090**	**5,292,090**

*Founder and placement options subscribed for.
** Resigned effective 15 February 2011

Note 13 - Employee benefits

Superannuation

The Company makes contributions based on each employee's salary to superannuation plans that provide employees with benefits on retirement in accordance with the requirements of superannuation legislations.

Employee incentive plan

The Board adopted the Exalt Resources Limited Employee Share Option Plan on 2 November 2010 (Plan).

The Plan is designed to:

• provide eligible participants with an ownership interest in Exalt;
• provide additional incentives for eligible participants; and
• attract, motivate and retain eligible participants.

As at the date of this Prospectus, 300,000 Options have been granted under the Plan.

A summary of the Plan is set out below.

General
The Plan relates to the grant of Options to subscribe for Shares. The Board may from time to time,in its absolute discretion, offer to grant Options to eligible participants under the Plan.

Each Option will be issued for no consideration and will carry the right in favour of the Optionholder to subscribe for one Share.

Eligible Participants
Full or part time employees, directors and consultants of the Company or an associated body corporate will be entitled to participate in the Plan.

Amount of Options to be issued under the Plan
The formula by which the entitlements of eligible participants shall be determined will be at the absolute discretion of the Board and shall take into account skills, experience, length of service with the Company, remuneration level and any other criteria the Board considers appropriate in the circumstances.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2011

The Board will not issue Options under the plan if the total number of Shares the subject of the Options, when aggregated with:

- the number of Options to be granted;
- the number of Shares which would be issued if all current Options granted under any employee incentive scheme, including the plan, were exercised; and
- the number of Shares which have been issued as a result of the exercise of Options granted under any employee incentive scheme, including the plan, where the Options were granted during the preceding 5 years, would exceed 5% of the total number of issued Shares at the time of the issue.

Option Terms
Options issued under the Plan will be subject to the terms determined by the Board in its sole discretion, which may include exercise conditions to be satisfied prior to the vesting of the Options.

Each Option issued under the Plan will be exercisable for one Share each at an exercise price to be determined by the Board at the time of issue and will not be quoted on the ASX.

The Shares issued on the exercise of an Option will rank equally with the other Shares on issue, and Exalt will apply to the ASX for Quotation of those Shares.

Lapse of Options
Unless the Board in their absolute discretion determine otherwise, Options shall lapse on the date which is the earlier of:

(iv) two (2) years after the date of the grant of that Option, or such other date as the Board determines in its discretion with respect to that Option at the time of the grant of that Option;
(v) the Optionholder ceases to be an employee or director of, or to render services to the Company for any reason whatsoever (including without limitation resignation or termination for cause) and the exercise conditions imposed at the time of the grant of the Option have not been met;
(vi) or the Exercise Conditions are unable to be met.

Participation in Future Issues
There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in the new issues of capital offered to Shareholders during the currency of the Options. However, Exalt will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or satisfaction of dividends or by way of dividend reinvestment) the exercise price of the Options shall be adjusted in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue of lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

Reorganisation
The terms upon which Options will be granted will not prevent the Options being reorganised as required by the Listing Rules on the reorganisation of the capital of Exalt.

Management of the Plan
The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan. The Board may amend the Rules of the Plan subject to the requirements of the Listing Rules. The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

Note 14 - 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.

During the period a sum of $6,000 was paid to SWEL Consulting Pty Ltd for the provision of Company Secretarial services. Shane Hartwig is a director of SWEL Consulting Pty Ltd.

Whilst not a related party transaction, during the period a sum of $50,000 was paid to Transocean Securities Pty Ltd for corporate advisory services provided in respect of the Company's Initial Public Offer. Emmanuel Correia and Shane Hartwig were previously employees of Transocean Securities, however they were not officers of Transocean nor did they hold any equity in Transocean.

Key management personnel

Details of the compensation of key management personnel are included in Remuneration Report section of the Directors' Report.

Note 15 - Notes to statement of cash flows

	2011 $
(a) Reconciliation of cash	
Cash at bank and on hand	3,238,786

	2011 $
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities	
Loss from ordinary activities after income tax	(70,229)
Non-cash expense – share-based payments	23,340
Changes in assets and liabilities relating to operations:	
- Increase (Decrease) in creditors and accruals	62,259
- Decrease (Increase) in receivables	(27,990)
- Decrease (Increase) in other assets	-
Net cash used in operating activities	(12,620)

Note 16 - Segment information

Identification of reportable segments

The Company has identified its reportable segments based on the location of its exploration assets.

The primary business segment and the primary geographic segment within which the company operates are minerals and energy exploration in Australia respectively.

Note 17 - Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limited and controls, and to monitor risks and

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's activities expose it to a limited number of financial risks as described below. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company. To date, the Company has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposure identified. The Company holds the following financial instruments.

	2011
	$
Financial assets	
Cash and cash equivalents	3,238,786
Trade and other receivables	27,990
Total	3,266,776
Financial liabilities	
Trade and other payables	268,268
Total	268,268

Specific financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

Interest rate risk

The Company's main interest exposure arises from cash at bank and bank term deposits as at the reporting date, the Company had the following cash profile.

	2011
Cash at bank and in hand	3,238,786
Total	**3,238,786**

The Company's main interest rate risk arises from cash and cash equivalents. The cash in the investment account earns a floating interest rate between 4.75% and 4.80%.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

Credit risk

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents, deposits and banks as well credit exposure including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. In respect of the parent entity, credit risk relates to loans with subsidiary and associated companies.

Liquidity risk

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

The Company maintains sufficient liquidity by holding cash in readily accessible accounts. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has no access to borrowing facilities at the reporting date. The Company's financial assets $3,266,776 and financial liabilities $268,268 have a maturity within 12 months of 30 June 2011.

Fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective net fair values unless otherwise noted, determined in accordance with the accounting policies disclosed in the Statement of Accounting Policies.

Sensitivity analysis

The following table illustrates a sensitivity to the Company's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. This sensitivity assumes that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2011		
+/-1% in interest rates	+/- 32,388	+/- 32,388

Note 18 - Earnings per share

	2011 $
Operating loss after income tax used in the calculation of basic and diluted loss per share	70,229
	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	7,369,552

Note 19 - Events occurring after the reporting period

No matters or circumstances have arisen in the interval since 30 June 2011 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

The financial report was authorised for issue on 26 September 2011 by the Board of Directors.

Note 20 – Capital expenditure commitments

Minimum expenditure commitments for mining tenements:

	2011 $
Within one year	87,500
Later than one year but not later than five years	43,750
Later than five years	-
	131,250

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2011

Note 21 - Company Details

REGISTERED OFFICE
Level 5,
56 Pitt Street,
Sydney NSW 2000

PRINCIPAL PLACE OF BUSINESS
Level 5,
56 Pitt Street,
Sydney NSW 2000

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 16 to 36, are in accordance with the Corporations Act 2001 and:

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

   (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the period ended on that date of the Company;

2. the Chief Executive Officer and Chief Financial Officer have each declared that:

   (a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial period comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial period give a true and fair view; and

3. 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.

Dated this 26th day of September 2011

Shane Hartwig
Director

EXALT RESOURCES LIMITED
ABN 17 145 327 617

INDEPENDENT AUDIT REPORT TO
THE MEMBERS OF EXALT RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Exalt Resources Limited which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

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, 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 (IFRS).

Auditor's Responsibility

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

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

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

Independence

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

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HALLCHADWICK

EXALT RESOURCES LIMITED
ABN 17 145 327 617

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EXALT RESOURCES LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Exalt Resources Limited is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the period 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the period 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 Exalt Resources Limited for the period ended 30 June 2011 complies with section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, SYDNEY NSW 2001

Graham Webb
Partner
Date: 26 September 2011

ADDITIONAL INFORMATION

Additional Australian Securities Exchange information as at 19 September 2011.

Number of holders of equity securities

Fully Paid Ordinary Shares

25,125,003 fully paid ordinary shares are held by 394 individual shareholders (7,400,018 subject to ASX escrow).

All issued ordinary shares carry one vote per share.

Options

16,008,568 Options ($0.20 Ex Price, 31st December 2015 Expiry) held by 442 individual shareholders (5,908,555 subject to ASX escrow).

Distribution of holders of equity securities.

Category (size of Holdings)	Ordinary Shares holders	Option holders
1 - 1,000	1	-
1,001 - 5,000	3	269
5,001 - 10,000	105	58
10,001 - 100,000	248	108
100,001 and over	37	7
	394	442
Holding less than a marketable parcel	2	-

Substantial shareholders

The names of the substantial shareholders listed in the Exalt Resources Ltd register as at 19 September 2011 were:

Holders	Fully paid ordinary shares	
	Number	Percentage
GEBA PTY LTD <GEBA FAMILY A/C>	2,583,333	10.28
CANGU PTY LTD <CANGU FAMILY A/C>	1,565,000	6.23
	4,148,333	16.51

ADDITIONAL INFORMATION

Twenty largest holders of quoted ordinary shares	Fully Paid Ordinary Shares	
	Number	%
GEBA PTY LTD <GEBA FAMILY A/C>	1,349,999	7.62
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	824,846	4.65
LITTLE BREAKAWAY PTY LTD	625,000	3.53
CANGU PTY LTD <CANGU FAMILY A/C>	615,000	3.47
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	400,000	2.26
DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	299,999	1.69
CANGU PTY LTD <CANGU FAMILY A/C>	250,000	1.41
MS BETTY ANN STEVENS	250,000	1.41
URIO INVESTMENTS PTY LIMITED <URIO FAMILY A/C>	250,000	1.41
DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	220,000	1.24
MADEIRA NOMINEES PTY LTD	217,500	1.23
NINKASI PTY LIMITED <NINKASI SUPERFUND A/C>	200,000	1.13
NUMBER 7 INVESTMENTS PTY LTD	200,000	1.13
MS LOIUSE JANE HARTWIG	177,499	1.00
MRS LOUISE JANE HARTWIG	150,000	0.85
MRS MARGARET ANNE MULLINS + MR PETER DOUGLAS MULLINS <THE MULLINS FAMILY S/F A/C>	150,000	0.85
NUMBER 7 INVESTMENTS PTY LTD	150,000	0.85
MS NYREE CORREIA	144,999	0.82
MR EMMANUEL CORREIA	137,500	0.78
DELMAC PTY LIMITED <GHIRARDELLO SUPER FUND A/C>	130,000	0.73
Total	**6,742,342**	**38.04**
Remainder	**10,982,642**	**61.96**
Grand Total	**17,724,984**	**100.00**

Twenty largest holders of quoted options	Fully Paid Ordinary Shares	
	Number	%
MR JONATHON CHARLES KOOP	750,000	9.99
MADEIRA NOMINEES PTY LTD	622,500	8.29
GEBA PTY LTD <GEBA FAMILY A/C>	450,000	5.99
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	395,003	5.26
JALONEX INVESTMENTS PTY LTD	333,333	4.44
CANGU PTY LTD <CANGU FAMILY A/C>	205,000	2.73
31 MAY PTY LTD	176,674	2.35
MR ALAN MCDONALD + MRS MICHELLE MCDONALD <MCDONALD SUPER FUND A/C>	170,846	2.28
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	133,334	1.78
DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	100,000	1.33
MS LOUISE JANE HARTWIG	59,166	0.79
MR DAVID STREADER + MRS JODINE STREADER <SUPER FUND A/C>	53,334	0.71
MR VICTOR LAWRENCE JOYCE + MRS SUSAN JOAN ABRA <VICTOR L JOYCE S/F A/C>	50,002	0.67
MRS LOUISE JANE HARTWIG	50,000	0.67
MOUNT STREET INVESTMENTS PTY LTD <THE MJ BLAKE S/F A/C>	50,000	0.67
MRS MARGARET ANNE MULLINS + MR PETER DOUGLAS MULLINS <THE MULLINS FAMILY S/F A/C>	50,000	0.67
NUMBER 7 INVESTMENTS PTY LTD	50,000	0.67
MS NYREE CORREIA	48,333	0.64
MR EMMANUEL CORREIA	45,834	0.61
DELMAC PTY LIMITED <GHIRARDELLO SUPER FUND A/C>	43,334	0.58
Total	**3,836,693**	**51.10**
Remainder	**3,671,862**	**48.90**
Grand Total	**7,508,555**	**100.00**

ADDITIONAL INFORMATION

DIRECTORS

Mr Emmanuel Correia	Executive Chairman
Mr Jim Malone	Non Executive Director
Mr Shane Hartwig	Non Executive Director

COMPANY SECRETARY
Mr Shane Hartwig

REGISTERED OFFICE
Level 5,
56 Pitt Street,
Sydney NSW 2000

PRINCIPAL PLACE OF BUSINESS
Level 5,
56 Pitt Street,
Sydney NSW 2000

AUDITORS
Hall Chadwick
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SHARE REGISTRY
Computershare Investor Services Pty Limited
Yarra Falls
1152 Johnston Street
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