Gullewa Limited

ABN 30 007 547 480

Annual Report - 30 June 2013

Contents

Chairman's Review

Dear Fellow Shareholders

The past year to 30 June, 2013 has been just about the most difficult I have encountered in my fifty one years in the Exploration Industry.

The high dollar, directionless and chaotic Federal Government and little support from State Governments, which when added to the woes of lower metal prices materially affected sentiment and confidence across the junior exploration sector. The major fall in stock prices in all exploration sectors reflected this malaise.

However, the new Federal Government has indicated that tax deductibility for exploration expenditure will be introduced on 1 July, 2014. The nature of this legislation is unknown at this stage – let us hope that the Canadian Flow Through Fund System, which has been in operation for fifty years, will be studied in detail, rather than attempting to re-invent a new system– although I fear the latter.

At our Dandaloo Project, technically encouraging drilling results have not as yet indicated potential for an economic deposit. At this stage we do not intend to further explore these areas until sector sentiment improves.

Central Iron Ore (CIO:TSV), in which Gullewa holds a 36% interest, has a number of prospective gold mining and exploration leases in the Darlot area of the Western Australia gold fields which includes a joint venture with Barrick Gold. It should be noted that discoveries made on granted mining leases ("GML") do not require lengthy mining lease application requirements. Also, CIO holds a series of magnetite iron ore leases in the Yilgarn with a significant magnetite target outlined and DSO (direct shipping ore) potential. The company's funding is low, and further funds are being sought by lease rationalisation, joint venture or sale/royalty arrangements. At this stage only absolutely necessary expenditures are being authorised by CIO.

Allegiance Coal (AHQ), in which Gullewa holds a 58% investment, was successful in declaring a 98 million tonne JORC Inferred Resource and an application for a Mining Development Lease was lodged and approved by the Queensland Mines Department. In other areas such as Townsville, Mt Marrow and Kilmain extensive use of available archival data was employed to enhance the prospectivity of AHQ's holdings.

The Board wishes to thank David Atkinson (who resigned on 19 October, 2012) for his long service as a Director of Gullewa and wish him all success in his business enterprises.

However, significant reductions in administrative and exploration expenditures have been implemented and will remain in force until the sentiment improves.

Finally, Gullewa, Allegiance and Central Iron Ore operate in a cyclical business – much like all others. Thus, providing Federal and State Governments curb their current over-regulation regime, when the demand for commodities improves – **as improve it will!** Gullewa and its affiliates will be ready to exploit the new cycle. Meanwhile, austerity is the catchcry!

Anthony Howland-Rose
MSc, DIC, FGS, FIMMM, FAusIMM, MAICD, FAIG, CEng
Executive Chairman

Review of Operations

ALLEGIANCE COAL LIMITED
(Gullewa 56.6%)

Allegiance Coal is an Australian public company listed in Australia (ASX: AHQ) which is focused on exploration of coal in Queensland. The following activities were undertaken by Allegiance Coal Limited or its subsidiaries:

- Drilling within Back Creek Project (EPC 1297) enabled a Maiden Resource compliant with the JORC Code of 98Mt Inferred to be reported in November 2012(1). Subsequently an MDL application was lodged for the Back Creek Project in March 2013. The MDL application has been accepted by the Department.
- The Kilmain Project (EPC 1298) has a target of 100Mt to 200Mt(2). Analysis of the coal cores from the Aries and Castor/Pollux Seams indicated presence of a coking fraction. A data swap with adjacent tenement holder concluded.
- The Mt Marrow tenement in the West Moreton coalfield was granted in January 2013. There is potential to bring this project into production in near term.
- The number of granted exploration tenements is now 14.
- At the Townsville tenement coal seam outcrops were uncovered following extensive study of archival information.
- The Company entered into a Farm-Out and JV Agreement with Square Exploration Pty Ltd ("Square"); with respect to EPC 1631 and EPC 1820 and competing/secondary EPC applications 2154, 2634, 2698 and 2899. These tenements are in the Calen Basin which is some 45km north of Mackay. Under the terms of the Agreement, Square is able to earn up to a 51% interest in the tenements through sole funding of Stage 1 exploration programme expenditure including 3,000 metres of exploration drilling and up to 90 % by sole funding of Stages 2 and 3, the latter would include a feasibility study.
- The Company continued discussions with neighbours of its various tenements to conclude data swapping arrangements to enhance understanding of the geology of the tenements and to reduce where possible unnecessary exploration costs.
- Attention throughout the year to reducing operating costs led to a new streamlined budget for 2013/2014 and 2014/2015 with increased focus on cost control and cash preservation were approved in June 2013.
- Investigating additional value creating opportunities where a free carried interest could be created by initiating work on external near term coal projects.

CENTRAL IRON ORE LIMITED
(Gullewa 36.1%)

Central Iron Ore is an Australian public company listed in Canada (TSX-V:CIO) which is currently focused on exploration and development of gold and iron ore projects located in Western Australia. The following activities were undertaken by or for CIO:

- CIO has earned an initial 51% interest in the Barrick Joint Venture and is proceeding to 70%.
- Drilling at Endeavour and Mermaid Prospects at South Darlot confirm and extend historic drill results.
- Exploration target of 1.7Mt to 4.1Mt at 5.0g/t to 11.5g/t Au (270,000 to 1,500,000 Oz of Au) on the Emperor Structure, South Darlot (1 and 2).
- In 2012, an initial target between 510Mt and 850Mt of iron mineralisation at an expected grade of 30-43% Fe was estimated at the Perinvale South Iron Ore Hub(3).
- Drilling of 2 diamond drill holes for 380.2 metres was completed in the Walling Rock area, Perinvale South Iron Ore Hub, confirmed down dip continuity of BIFs.
- Two tenements granted at the Perinvale South Iron Ore Hub cover strike extensions of BIFs identified in the project areas.

(1) Allegiance Coal Limited ASX Announcement 26/11/2012

(2) Exploration Target Clarification
All statements pertaining to the Company's exploration target and statements as to the potential quantity and grade made in this Statement are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource in accordance with the JORC Code, and it is uncertain if further exploration will result in the definition of a coal resource in accordance with the JORC Code.

GULLEWA Minerals
(Gullewa 100%)

- Drilling completed of 5 vertical holes at two prospects at Dandaloo to test soil geoelectrochemical anomalies in areas of deep unconsolidated cover.
- Widespread chlorite and epidote alteration intersected in drill holes.
- Preliminary interpretation of data supports zones of widespread geochemical enrichment and depletion associated with alteration.
- Downsizing of office and personnel to reduce costs in order to be in a better position when the recovery of the mining sector commences.

HYDROMINING COAL AUSTRALIA PTY LTD
(Gullewa 50%)

Hydromining Coal Australia Pty Ltd (HCA) is an Australian Public unlisted company with a 50% interest held By Gullewa Limited and 50% held by C. Randall and Associates Pty Ltd.

- Progressed the design of a non-entry mining method such that in October 2012 it lodged a preliminary Patent Application.

PROPERTY
The final lots at Normanhurst were sold.

(2) Exploration Target Clarification
(2) All statements pertaining to the Company's exploration target and statements as to the potential quantity and grade made in this Statement are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource in accordance with the JORC Code, and it is uncertain if further exploration will result in the definition of a coal resource in accordance with the JORC Code.

Review of Projects

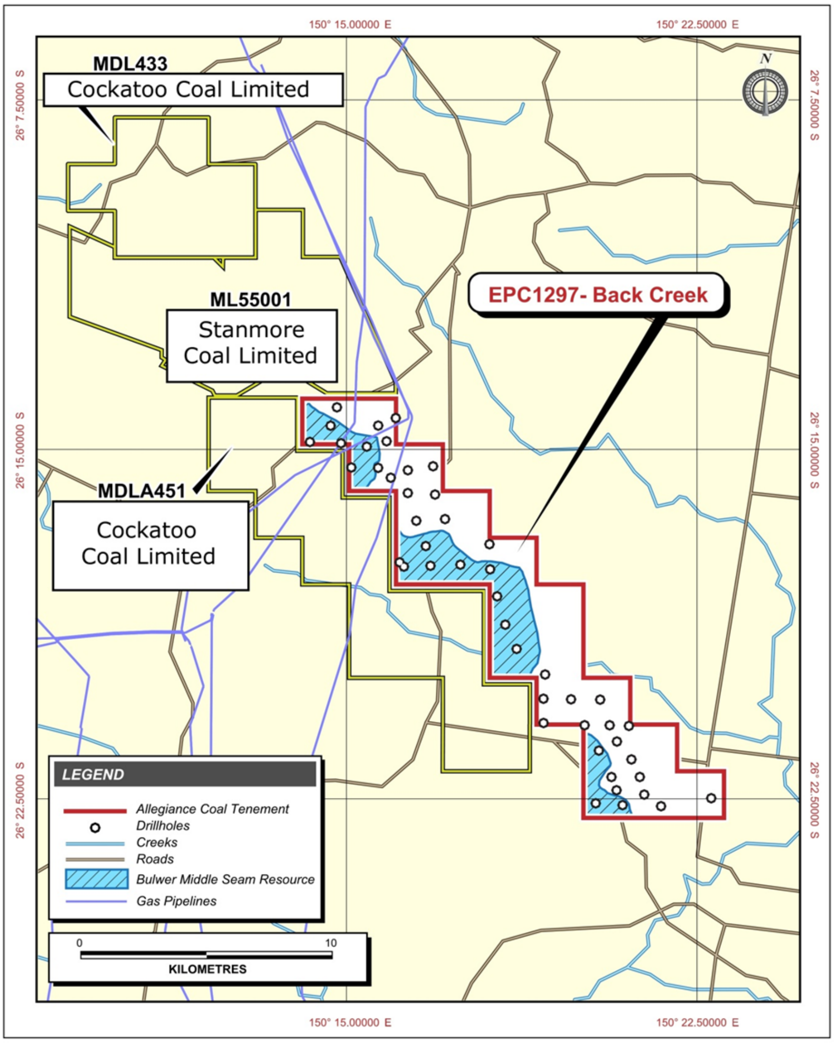
ALLEGIANCE COAL LIMITED (Gullewa 56.6%)
www.allegiancecoal.com.au

Back Creek Project (EPC 1297)
The Back Creek tenement area is located approximately 50 kilometres northeast of Miles and 45 kilometres southeast of Wandoan in the Surat Basin. The Taroom Measures are the dominant coal bearing formation throughout the tenement. Up to 25 coal plies are grouped into 11 main coal intervals forming 3 coal seams: Auburn, Bulwer and Condamine. The seams vary in thickness up to a maximum of 9.3 metres although plies are commonly not laterally continuous.

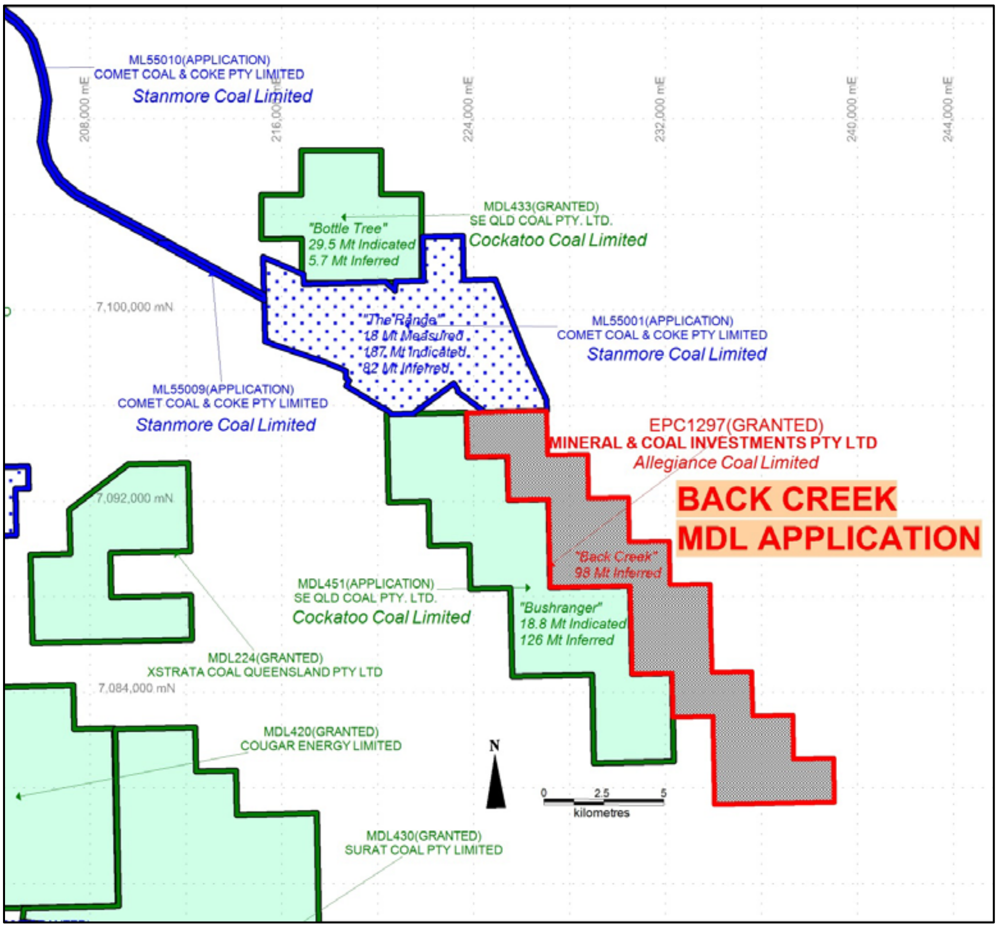
The data package generated from the Company's two stages of drilling, plus the coal quality data generated from Stage 2 coal cores, as well as data from Cockatoo Coal Limited and Stanmore Coal Limited on their adjacent tenements, provided sufficient data to allow the Reporting of an Inferred Resource of 98 million tonnes(1) compliant with JORC Code. The Resource Report was prepared by Runge Limited (now RungePincockMinarco Limited, an independent mining advisory and geological consultant group. *See Plan 1*.

The Inferred Resource significantly exceeded the previous target of 60Mt to 80Mt(2).

The posting of the 98Mt of Inferred Resource compliant with the JORC Code enabled the Company to progress the Project by lodging in March 2013 a Mineral Development Licence Application. *See Plan* 2.



Plan 1 - Back Creek Inferred Resources



Plan 2 - Back Creek Project – MDL Application

Sources of information in Plan 2:

- *“Bottle Tree” and “Bushranger” resources are from www.cockatoocoal.com.au*
- *“The Range” resource is from www.stanmorecoal.com.au*
- *“Back Creek” resource is from www.allegiancecoal.com.au*
- *Mt = Million tonnes.*
- *Measured, Indicated and Inferred are resource categories defined by the Joint Ore Reserve Committee (JORC) of the Australasian Institute of Mining and Metallurgy (AusIMM).*
- *Map projection is Map Grid of Australia Datum 1994, Zone 56.*

Kilmain Project (EPC 1298 and 1917)

The Kilmain tenement is located about 75 kilometres southeast of Emerald in the Bowen Basin and is approximately 15 kilometres west of the Rolleston rail line that connects to the Port of Gladstone.

The project area is located down dip from BHP’s Togara South (MDL340) which has total resources of 2.015 billion tonnes[(3)]. To the west, is Bandanna Energy’s Arcturus project that has open cut and underground resources of 206.3 million tonnes[(4)]. The planned Arcturus underground mine’s eastern longwall blocks are truncated by the western boundary of EPC 1298 Kilmain and show clear potential for the resources to extend well into the Kilmain tenement.

Drilling in 2011 of three partially cored deep holes in the northeast of the tenement, intersected 3.1 metres of conjoined Castor/Pollux Seam and gave rise to a review of the target for Kilmain from the original target of 100 to 200 million tonnes to the a new target of 200Mt[(1)].

Bottom depths of holes were between 470 and 500 metres and cored to recover the Aries, Castor, Pollux and Orion Seams from each hole. All coal plies were sampled and analysed with results confirming the potential for washed coking, PCI or low ash thermal coal or an unwashed thermal or PCI coal product.

In one hole coal cores were canistered and gas analysed. Results showing a predominantly methane rich gas with low concentration (less than 4m^3 per tonne). The gas concentrations were considered too low to be of commercial interest by way of pre-drainage prior to mining.

A drilling programme was planned to enable the estimation of an Inferred Resource in accordance with the JORC Code.

To fund the extensive drilling programme discussions were held with Prospective JV partners on potential involvement in the Kilmain Project. While none of these have come to fruition at this time, discussions are continuing. The presence of coking coal and proximity to existing rail infrastructure are two of the features that interest prospective JV partners.

The decision by Aurizon (ASX:AJZ) to electrify the Rolleston rail line to meet the planned increase in production from Xtrata's Rolleston Mine to the south enhances the Kilmain Project.[5]

Following a data swap arrangement with neighbour Bandanna Energy on their Arcturus and Springsure Creek projects, detailed coal quality information has enabled four Indicative Coal Specifications to be developed:

- A single high yielding 9% ash thermal coal specification; and
- three specifications from washing of the seam to recover three fractions, 5% ash semi hard coking coal, 9% ash PCI coal and 15% ash thermal coal

The Kilmain Project has potential for an underground deposit of coking/PCI/thermal coal within the Rangal Coal Measures and has an exploration target of 200Mt of coal. [2]

Other Projects

The **Mt Marrow** Project (EPC 2374) was granted in early 2013 and is located within the West Moreton coalfield approximately 20 kilometres west of Ipswich. It hosts sequences from the Walloon Coal Measures and the company believes that the project is very significant because:

- It is close to existing rail infrastructure (only 5 kilometres from existing rail and 90 kilometres from Port of Brisbane);
- Walloon coal is export quality thermal coal with low sulphur and low nitrogen;
- It is close to existing rail infrastructure (only 5 kilometres from existing rail and 90 kilometres from Port of Brisbane);
- It has potential to become a near term producer;
- It has the potential to be a low capital cost project;
- It has potential for open pit shallow thermal coal mines; and
- Historic drill hole data acquired in the period 1950 – 1962 for some 200 holes (mainly cored) in the West Moreton coalfields, includes detailed core logs, over 300 individual coal quality data and drill core from some of the deeper sections of the Walloon Coal Measures are retained at the State Core Library in Brisbane. Detailed studies of historic drill hole and coal quality data have been undertaken enabling development of an Indicative Specification for Selectively Mined West Moreton Coal.

In order to advance the **Mintovale** Project, an inspection was made of a potential rail siding on the main north-south standard gauge Australian Rail Track Corporation Ltd (ARTC) controlled rail line near Beaudesert. A subsequent meeting with the ARTC officer responsible for the area discussed the potential for reinstatement of a turn out from the siding to the main line. The potential for transport of coal in containers remains under study. Meanwhile, the Queensland Government is yet to advise of a mooted ban on future mining within the Scenic Rim Shire.

Three drill holes, each to a depth of 120m, were drilled within the **Connemarra** Project area to test for possible open cut depths coal. None of the holes intersected coal. The Project is considered suitable for coal at depth and suitable for underground mining. Before deciding on drilling the area additional geological data is required. A data swap with the adjacent tenement holders Yancoal/Sojitz remains under negotiation. Yancoal/Sojitz have the Athena Project to the northeast of Connemarra and had reported an intersection of 5m of coal at underground mining depths.

(3) www.bhpbilliton.com
(4) www.bandannaenergy.com.au
(5) Aurizon Holdings Limited ASX Announcement 13/04/2013

Summary of all Connemarra Drilling by Allegiance

Hole Number	MGA94E Zone 55	MGA94N Zone 55	Elevation ASL	Total Drilled Depth	Year Drilled	Comment
CN004	582747	7338877	272	120	2012	No coal intersected
CN005	579086	7337073	267	120	2012	No coal intersected
CN006	580350	7339921	291	120	2012	No coal intersected

Notes: All measurements are in metres. Collars were surveyed using a handheld CPS. All holes were drilled vertically.

The **Calen** Project is located within the Calen Basin some 45km north of Mackay. In January 2013 the company entered into a Farm-Out and JV Agreement between its wholly owned subsidiary Mineral & Coal Investments Pty Ltd ("MCI") and Square Exploration Pty Ltd ("Square"); with respect to MCI's tenements EPC 1631 and EPC 1820 and competing/secondary EPC applications 2154, 2634, 2698 and 2899. Under the terms of the Agreement, Square is able to earn up to a 51% interest in the tenements through sole funding of Stage 1 exploration programme expenditure including 3,000 metres of exploration drilling. Square can earn an additional 24% interest through sole funding of Stage 2 exploration programme expenditure including a pre-feasibility study. It can earn an additional 15% interest through sole funding of Stage 3 exploration programme expenditure including a feasibility study. Allegiance would retain a 10% interest in the project upon completion of Stage 3.

During the year, Allegiance completed an extensive review of historical data and some field mapping within its **Townsville** tenement, EPC 1492, and confirmed the presence of an outcropping 1-metre thick coal seam. The exposures of the seam in outcrop and in an adjacent quarry, combined with all of the drill hole information, has provided the company with sufficient data to prepare an application for a Mineral Development Licence, the granting of which would enable subsequent excavation of a bulk sample for testing purposes.

CENTRAL IRON ORE LIMITED (Gullewa 36.1%)

www.centralironorelimited.com

GOLD

South Darlot Gold Project

The South Darlot Gold Project area is approximately 320km northwest of Kalgoorlie and includes the British King Mine, which is 100% owned by the Company and is NI43-101 compliant. The British King Mine is 5km west of Barrick Gold Corporation's Darlot Mine. The British King Mine is currently under care and maintenance.

The Barrick Joint Venture tenements are situated south west of Barrick's Darlot gold mine and are contiguous with CIO's current holdings in the area. At 30 June 2013, CIO had earned an initial 51% interest in the Barrick JV Tenements in accordance with the Barrick JV and will continuing exploration with a view to earning an additional 19% interest (equal to a total interest of 70%) by spending a further AUD$250,000 on the terms and conditions set out in the Barrick JV.

The company had spent in excess of AUD$675,000 at 30 June 2013.

In late 2012, CIO completed a drilling program at the Endeavour and Mermaid Prospects at its South Darlot Gold Project. The results, which included gold grades of up to 159 grams per tonne (g/t) support historical and earlier work conducted on the project area. The drilling program focused on the first 2 of 31 gold targets identified within the South Darlot Gold Project Area (being 24 targets located on tenements that are the subject of the Barrick JV and 7 targets on 100% CIO owned tenements).

Endeavour Prospect

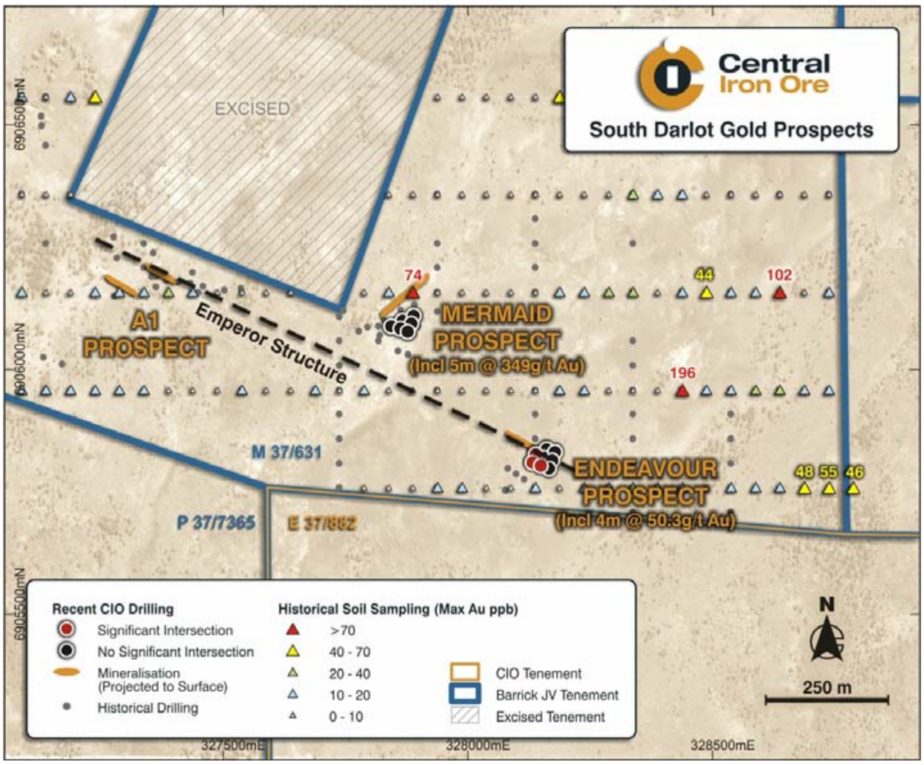
The drilling at the Endeavour Prospect included 5 holes for resource definition, 2 holes for metallurgical test work and 1 diamond tail 1 hole for geotechnical test work. A total of 554 metres were drilled at the Endeavour Prospect as part of this program. The highlights of the drill results include:

- 4m at 50.3 g/t Au including 1m at 158 g/t Au from 43m;
- 7m at 27.1g/t Au including 1m at 159 g/t Au from 46m; and
- 4m at 23.2 g/t Au including 1m at 81.8 g/t Au from 28m.

The drill results confirm and extend the results from historical drilling while recent surface sampling and mapping infer further extensions. The significant historical results for the Endeavour Prospect were:

- 4m at 70.6 g/t Au from 36m; and
- 8m at 23.6g/t Au from 34m.

The widths described are drill intersection lengths and the true widths have not been estimated.



Mermaid Prospect

The drilling at the Mermaid Prospect included 3 reverse circulation drill holes for resource definition, 2 holes for metallurgical test work and 1 diamond tail for geotechnical test work. A total of 463 metres were drilled at the Mermaid Prospect as part of this program. The highlight drill results include :

- 3m at 1.8g/t Au including 1m at 3.8 g/t Au from 66m;
- 1m at 1.2 g/t Au from 57m;
- 1m at 1.6 g/t Au from 51m;
- 1m at 1.6 g/t Au from 56m; and
- 1.35m at 1.9 g/t Au from 86.15m.

The drill results confirm the structure identified from historical drilling and recent surface sampling and mapping. The significant historical results for the Mermaid Prospect were:

- 5m at 348.9 g/t Au including 1m at 1510g/t Au from 79m;
- 3m at 13.0g/t Au from 11m; and
- 4m at 13.0g/t Au from 7.9m.

The widths described are drill intersection lengths and the true widths have not been estimated.

Emperor Structure (2.5km strike length)

In January 2013, CIO announced an exploration target of 1.7 to 4.1 million tonnes at 5.0g/t to 11.5g/t Au (270,000 to 1,500,000 Oz of Au) on the Emperor Structure [6 and 7]. The exploration target was interpreted as a linear structure from historical gold workings, gold occurrences within historical drill holes, aeromagnetic and gravity geophysics as well as results from the company's recent drilling program.

The exploration target for the Emperor Structure has been estimated based on a number of assumptions and limitations which include, among other things:

- The strike length of the structure is 1,400m;
- The geometry of the Structure remains constant over their entire length;
- The model depth extent has been fixed to 150 metres (200m down dip extent);
- The average true width is 3.9 metres;
- 100% recovery and no dilution;
- The specific gravity of the material is 2.51t/m3;
- The grade range reflects the average gold concentrations utilising suitable gold top cuts;
- Tonnage range is +20% and 50%; and
- It does not take into account the depth to top or effect of dip of the models and how this may impact potential mining viability.

(6) Gullewa Limited ASX Announcement 23/01/2013
All statements pertaining to CIO's exploration target and statements as to the potential quantity and grade made in this Statement are conceptual in nature. There was insufficient exploration undertaken at that date to define a resource in accordance with the JORC Code, and it was uncertain if further exploration would result in the definition of a resource in accordance with the JORC Code.

(7) Exploration Target Clarification
All statements pertaining to CIO's exploration target and statements as to the potential quantity and grade made in this Statement are conceptual in nature. There was insufficient exploration undertaken at that date to define a resource in accordance with the JORC Code, and it was uncertain if further exploration would result in the definition of a resource in accordance with the JORC Code.

Summary of Drill Results

Prospect	Hole Id	Easting	Northing	AHD (RL)	From	To	Width (m)	Grade (g/t Au)
Endeavour	END0001	6905811	328131	446.2	46	53	7	27.1
including					46	47	1	159.0
Endeavour	END0002	6905825	328136	446.2	28	32	4	23.2
including					29	30	1	81.8
Endeavour	END0003	6905804	328145	446.3	43	47	4	50.2
including					44	45	4	158.0
Endeavour	END0004	6905822	328153	446.3				
Endeavour	END0005	6905795	328163	446.3				
Endeavour	END0006	6905837	328157	446.3				
Endeavour	END0007	6905816	328169	446.3				
Endeavour	END0008	6905831	328173	446.3				
Endeavour	*WDRC0101*	*328138*	*6905812*	*450*	*36*	*40*	*3*	*70.6*
Endeavour	*WDR1220*	*328138*	*6905807*	*450*	*34*	*42*	*8*	*23.6*
Mermaid	MER0001	6906086	327839	445.5	57	58	1	1.2
Mermaid	MER0002	6906082	327860	445.5	66	69	3	1.8
including					68	69	1	3.8
Mermaid	MER0003	6906098	327865	445.5	51	52	1	1.6
and					56	57	1	1.6
Mermaid	MER0004	6906072	327875	445.6	86.15	87.5	1.35	1.9
and					88.5	89	.5	1.9
Mermaid	MER0005	6906094	327882	445.5				
Mermaid	MER0006	6906110	327886	445.6				
Mermaid	*WDRC0099*	*327858*	*6906077*	*450*	*79*	*84*	*5*	*348.9*
including							*1*	*1,510*
Mermaid	*PDERB0002*	*327867*	*6906120*	*450*	*11*	*14*	*3*	*13.0*
Mermaid	*WDRC0111*	*327829*	*6906100*	*450*	*31*	*35*	*4*	*7.9*
A1	*BRC0093*	*327363*	*6906189*	*450*	*22*	*23*	*1*	*19.2*
A1	*WDRC0033*	*327363*	*6906167*	*450*	*37*	*39*	*2*	*4.3*

Italics indicates historical results.

The widths described are drill intersection lengths.

Barrick Sale of Darlot

In October 2013, Barrick Gold Corporation (NYSE:ABX) (TSX:ABX) announced that it had completed the divestiture of its Yilgarn South assets in Western Australia to Gold Fields Limited (Goldfields). The Yilgarn South assets comprise principally the Granny Smith, Lawlers and Darlot mines. In aggregate, these mines produced 452,000 ounces in 2012. Barrick sold the assets for total consideration of $300 million, subject to a closing adjustment deduction estimated at a value of $30 million.

The sale to Goldfields will not affect the terms of the Barrick Joint Venture but may result in some increased opportunities for CIO in the region.

Eureka Gold Project

The Eureka gold project is approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance. The Company's tenement package comprising the Eureka gold project covers 563 hectares.

Eureka Sale

As at 30 June 2013, the conditions precedent to the sale and purchase agreement entered into between the Company and Greenstone have not yet been satisfied and accordingly the sale and purchase of the Eureka Gold Project has not been completed. Greenstone has requested certain variations be made to the agreement to enable it to proceed with its proposed acquisition of the Eureka Gold Project however at the date of this report, discussions between CIO and Greenstone are ongoing. All consents, approvals, authorisations or clearances which required under the original sale and purchase agreement (including TSX-V approvals) were obtained, however it is possible that these may need to be renewed or re-applied for, or additional consents approvals, authorisations or clearances sought, depending on the outcome of the Company's ongoing discussions with Greenstone.

IRON ORE

CIO is currently in negotiations for the sale of its Eureka Gold Project for a value of up to AUD$2.15m.

YILGARN IRON ORE PROJECTS

The Company has a total of 16 iron ore tenements covering 1,594km^2 that are located within the Yilgarn Iron Ore Province ("Yilgarn IOP") in Western Australia., of which 13 tenements are granted and 3 tenements are pending applications. The Yilgarn IOP is considered highly prospective, given its history of large-scale iron ore production, with the Cliffs Natural Resources Ltd-owned Koolyanobbing operation (formerly operated by Portman Limited) currently producing at a rate of approximately 8Mtpa of Direct Shipping Ore ("DSO").

The Yilgarn IOP tenements have been divided into logical infrastructure hubs:

- Perinvale South Iron Ore Hub;
- Windarling Iron Ore Hub;
- Diemals Iron Ore Hub; and
- Perinvale North Iron Ore Hub

Perinvale South Iron Ore Hub

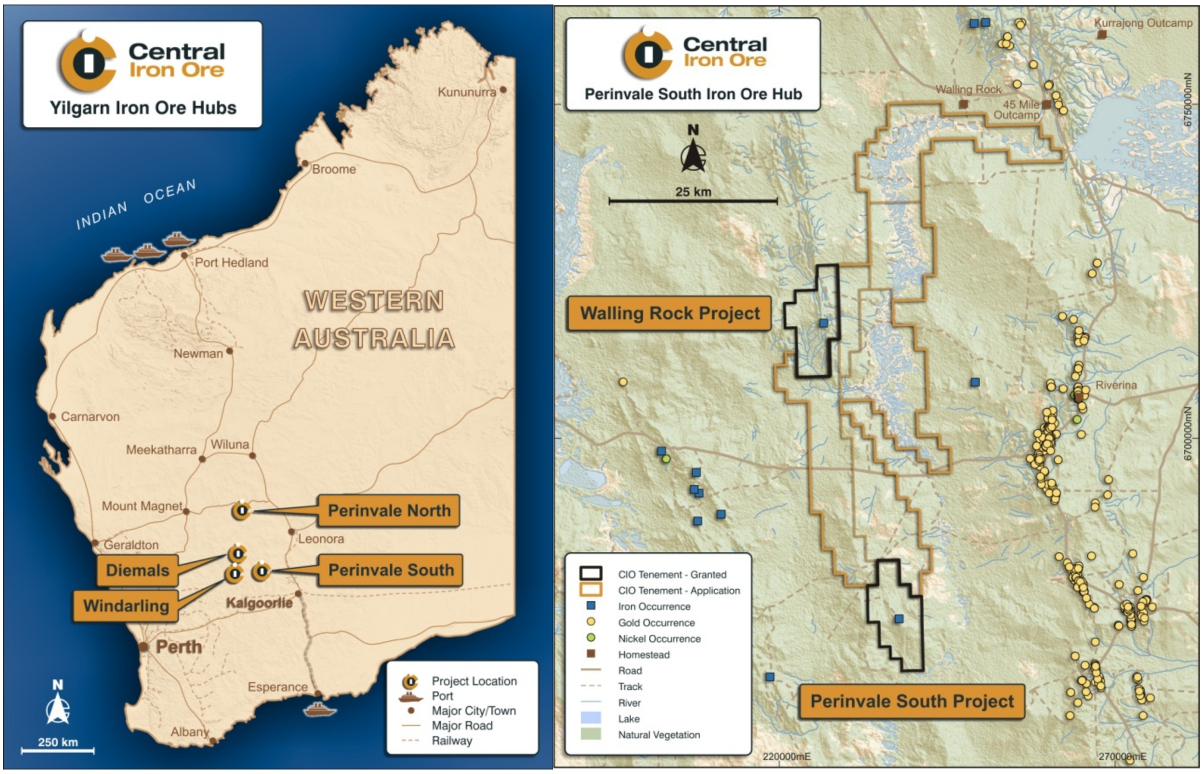
In February 2012, 3D and 2D magnetic modelling of helimagnetic survey data acquired by CIO over its Walling Rock Project indicated a potential exploration target estimate of between 510Mt to 850Mt of iron mineralisation at an expected grade of 30-43% Fe[(2)]. Of this, 30Mt to 75Mt is potentially enriched near-surface mineralisation above the primary bedrock mineralisation.

The exploration target for primary BIF and potential near surface enriched material has been estimated based on a number of assumptions and limitations which include, among other things:

- The strike length of the modelled magnetic anomalies represents ore grade BIF mineralisation.
- The geometry of the magnetic sources remain constant over their entire length.
- The model depth extent has been fixed to 200m.
- The thickness of the potential enriched near surface material has been calculated as the difference between ground level as defined by the aeromagnetic survey DTM and the depth to the top of the model at the model centre, capped at 25m where required. No correction or adjustment has been made for variations between the ground level and the top of the model along strike.
- 100% recovery and no dilution.
- The specific gravity of the BIF and enriched material is 3.2t/m3.
- It does not take into account the depth to top or effect of dip of the models and how this may impact potential mining viability.

Two HQ3 core holes were drilled at Walling Rock in August, 2012. The first hole, WRD001, was stepped off a short distance west from surface outcrop of banded iron formation sand drilled vertically to intersect the formations at a shallow depth. WRD002 was drilled in the direction of dip, and intersected the banded iron formation at low angle, below the base of oxidation. The purpose of drilling was to provide the Company with samples for initial metallurgical test-work for this project. The test-work is aimed at prioritising the various options for upgrading the magnetite ore by a combination of magnetic separation and screening.

Hole ID	East_MGA_Z51	North_MGA_Z51	RL_AHD	Depth	Mag_Azimuth	Inclination
WRD001	227445	6716290	480	103.3	360	-90
WRD002	227405	6716278	475	277	260	-50



Drill hole WRD001 was drilled vertically, and intersected the target unit at a depth of 8.7 m. Four separate banded iron formations were encountered, and these vary in (drill) thickness from 0.4 to 3.05 metres.

Drill hole WRD002 was inclined at 50° towards 260° magnetic. This hole intersected the target unit at a vertical depth of 170 m and traversed layering at a low angle. Three separate banded iron formations were intersected, with the broadest extending down hole for 17 m (equivalent to a true thickness of about 6.5 m).

GULLEWA LIMITED ('Gullewa 100%)

MINERALS

During the year, the Company drilled five (5) vertical holes in its **Dandaloo** Project located approximately 70 kilometres west of Narromine in central NSW. The drilling was designed to test two soil geoelectrochemical anomalies about 3.5 kilometres apart in areas of unconsolidated transported cover of between 95 and 115 metres thick. In total, 552 metres of mud drilling and 478 metres of NQ diamond core drilling were completed.

Previous exploration by the Company involving four stages of IONEX geoelectrochemical technology identified multi-element (including Au, As, Sb, Fe, Co, Ni, Mn, Li, ±Ag, ±Cu, ±Zn, ±Se) polar geoelectrochemical anomalies at two prospects within the Dandaloo tenement area. This followed a regional appraisal which identified the mafic-intermediate volcanic rocks of Ordovician to Devonian age, which host the well-known porphyry, epithermal and mesothermal gold deposits at Cadia, North Parkes, Lake Cowal, Peak Hill, Copper Hill and McPhillamy's, and extend northwards under variable sedimentary cover of the Great Australian Basin as suitable for the application of the Russian technology.

It is considered significant that the technology identified geoelectrochemical targets near the intersections of structures parallel to the Lachlan Transverse Zone and the north-south trending Tullamore Syncline as revealed by magnetic and gravity data.

Dandaloo Drill Hole Parameters

Hole Name	MGA94E Zone 55	MGA94N Zone 55	Elevation	Angle	Depth Mud drilling (m)	NQ metres drilled	Final Depth (m)
Dan 001	552148	6442059	211	Vertical	114.45	114.35	228.8
Dan 002	552089	6441995	205	Vertical	105.0	93.6	198.6
Dan 003	552058	6442101	208	Vertical	95.9	106.4	202.3
Dan 004	554397	6439150	210	Vertical	113.8	109.2	223.0
Dan 005	554299	6439129	209	Vertical	123.0	54.8	177.8

Note Drill collar coordinates and elevations were determined using a handheld GPS

The program completed by the Company only tested basement sequences to very shallow depths with the deepest being 114 metres into basement. Statistical studies on the assay data have revealed some trends in the data, such as possible depletion and small zones of coincident elevated pathfinder element associations.

A petrological study of selected samples of drill core confirmed that traces of copper are associated with widespread greenschist facies metamorphism of an intercalated sequence of volcanic/volcaniclastic rocks and siliceous to iron-rich sedimentary rocks. The alteration may be related to a magmatic hydrothermal event and a possible intrusion. The study also identified evidence for a possible "sea floor" style hydrothermal system.

Although chalcopyrite and very local native copper was identified in numerous thin sections, concentrations of copper throughout the holes are very low with a maximum of 312 ppm.

The best drill intersection was in Dan 004 which interested a 50-centimetre zone containing 119 ppm silver as well as potentially significant concentrations of Be, Bi, Cu, Mo, Nb, W and Zn. The significance of this intersection is not clear as the core recovery was low and the interval occurs at the interface between the unconsolidated sediments and the basement.

The preliminary conclusion is that following geoelectrochemical surveys of areas with deep unconsolidated sediments covering over 8,500 square kilometres, the pathfinder drilling carried out in this programme has detected a mineralogical halo which may be associated with a Au ±Cu porphyry type deposit.

Corporate

The Directors of Gullewa initiated steps to reduce company costs during the year which resulted in the most of the tenements to be terminated. At the end of June 2013, the Company retained only one mineral exploration Licence, EL 7022, Dandaloo.

R & D Tax Incentive

The Dandaloo Project has qualified to be an R&D Tax Incentive project which should result in a substantial proportional cash refund of the Dandaloo project costs.

GULLEWA GEOTHERMAL PTY LTD (Gullewa 100%)

No work was undertaken during the year and the area was surrendered.

HYDROMINING COAL AUSTRALIA PTY LTD (Gullewa (50%)

Hydromining Coal Australia Pty Ltd (HCA) has progressed its design of the non-entry mining method such that in October 2012 it lodged a preliminary Patent Application. The company plans to advance the patent application in the coming year.

The company continues to look for opportunities where it's hydromining technology could be utilized to convert exploration tenements with difficult geological structures (eg thin horizontal seams, highly water charged coal seams, vertical veins of other minerals etc.) into viable mining operations. Several projects are under active consideration.

The Company is still awaiting the grant of Elatum Project EPCA 2643 by the Queensland Government. This area in Central Queensland is close to the renowned agricultural centre of Biloela and is targeting a lignite deposit with potential for conversion to humic fertiliser.

In recognition of the sustained efforts by Director Colin Randall over the last four years (for no remuneration) additional shares were issued to C. Randall and Associates Pty Ltd (CRA) to change the shareholding from GUL 80% CRA 20% to GUL 50% CRA 50%.

Safety and Environmental Requirements

There were no lost-time injuries or environmental incidents on any of the Gullewa Group projects whilst undertaking field activities associated with tenement inspections, geological investigations and drilling.

PROPERTY

The final lots at Normanhurst were sold.

Competent Person Statements

Mr Colin Randall is the Managing Director of Allegiance Coal Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy and has compiled the information within the Allegiance Coal and Hydromining Coal sections of this report. He has a minimum of 15 years experience in the field of activity being reported on and is a Competent Person as defined in the JORC Code. This announcement accurately summarises and fairly reports his assessment and where required, has consented to the report in the form and context in which it appears.

Mr Darryl Mapleson who is a Fellow of Australasian Institute of Mining and Metallurgy has compiled the information within the CIO section of this report relating to gold mineralization, drilling results and the exploration target. Mr Mapleson is a full time employee of BM Geological Services and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Result, Mineral Resources and Ore Reserves (2004 JORC Code). This announcement accurately summarises and fairly reports Mr Mapleson's assessments and where required, he has consented to the report in the form and context in which it appears.

The information in this announcement that relates to Geophysical Exploration Results for the Perinvale South Iron Ore Hub project is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Core Geophysics, who was engaged by CIO to provide geophysical consulting services. Mr Cooper is a member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cooper consents to the inclusion in this announcement of the information which he provided in the form and context in which it appears.

The information in this report that relates to Exploration Results for Gullewa – Minerals, is based on information compiled by Mr Garry Baglin, who is a casual employee of the Company. Mr Baglin is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Baglin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Directors' Report

30 June 2013

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Gullewa Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2013.

Directors

The following persons were directors of Gullewa Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Anthony Howland-Rose - Chairman

David Deitz

Eddie Lee

David Atkinson (resigned on 19 October 2012)

Principal activities

The principal activities of the consolidated entity during the financial year were exploration and mining, property development and investments in equities.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $2,794,306 (30 June 2012: $4,045,431).

Gullewa Limited ('Gullewa')

Minerals

Through its wholly-owned subsidiaries, the company holds 1 mineral exploration licence in New South Wales. EL 7022, Dandaloo, which is located approximately 70 kilometres west of Narromine in the central Lachlan Fold Belt. The Company is targeting copper-gold porphyry style or orogenic gold deposits in this project.

During the year the company drilled five (5) vertical holes at Dandaloo, designed to test two soil geoelectrochemical anomalies. Petrological studies of selected samples of drill core and drill chips confirmed that traces of copper are associated with widespread metamorphism. Although chalcopyrite and very local native copper was identified in numerous thin sections, concentrations of copper throughout the holes are very low with a maximum of 312 ppm.

The regional and detailed geophysical survey data of the region show that the project is located near the intersection of numerous major structures. These are considered to be potentially significant in the localisation of major mineral deposits. A detailed review of the geoelectrochemical, geophysical and drill hole data is now required and will provide direction of future activities.

In order to reduce costs, all other tenements were dropped in New South Wales.

Property

At Normanhurst the final two blocks were sold.

Allegiance Coal Limited ('Allegiance') - Gullewa has 57.86% holding

Back Creek

Stage 2 drilling of 27 non-cored holes and 4 partially diamond drill cored holes was completed. A Maiden Resource compliant with the JORC Code of 98 Mt inferred was reported in November 2012 for the Back Creek Project. Subsequently an MDL application was lodged for the Back Creek Project in March 2013 and has been accepted by the Department.

Mount Marrow

The Mount Marrow tenement in the in the West Moreton coalfield was granted in January 2013.

Townsville

Following extensive study of archival information, coal seam outcrops were uncovered within the Townsville tenement in May 2013.

The consolidated entity is investigating additional value creating opportunities where a free carried interest could be created by initiating work on external near term coal projects.

Attention throughout the year to reducing operating costs has led to a new streamlined budget for the 2013/2014 and 2014/2015 financial periods. The new budgets have an increased focus on cost control and cash preservation, they were approved by the board of directors in June 2013.

Central Iron Ore Limited ('CIO') - Gullewa has 36.10% holding

Gold Exploration

South Darlot Gold Project

The South Darlot Gold Project area is approximately 320km northwest of Kalgoorlie and includes the British King Mine, which is 100% owned by the company and is NI43-101 compliant. The British King Mine is 5km west of Barrick Gold Corporation's Darlot Mine. The British King mine is currently under care and maintenance.

The company has re-focused its gold strategy and is actively working towards a greater tenement expansion in the South Darlot region which will allow for regional and mine site exploration to commence. The company's current South Darlot Gold Project tenement package covers 324 square kilometres.

On 8 November 2012, the company announced that significant gold intercepts have been revealed through the Company's recent drilling program at its South Darlot Gold Project. The results from the first 14 holes, which included gold grades of up to 159 grams per tonne (g/t) support historical and earlier work conducted on the project area. The recent drilling program focused on the first 2 of the 31 gold targets identified within the South Darlot Gold Project Area (being 24 targets located on tenements that are the subject of the Barrick JV and 7 targets on 100% company owned tenements).

Emperor Structure Exploration Target

On 22 January 2013, the company announced an exploration target* of 1.7 to 4.1 million tonnes at 5.0g/t to 11.5g/t Au (270,000 to 1,500,000 Oz of Au) on the Emperor structure at its South Darlot Gold Project. The exploration target was interpreted as a linear structure from historical gold workings, gold occurrences within historical drill holes, aeromagnetic and gravity geophysics as well as results from the company's recent drilling program.

Iron Ore Exploration

The company now has a total of 16 iron ore tenements covering 1,594 square kilometres that are located within the Yilgarn IOP, of which 12 tenements are granted and 4 tenements are pending applications.

Pernivale South Iron Ore Hub

Two HQ3 core holes were drilled at Walling Rock in August 2012. The purpose of drilling was to provide the company with samples for initial metallurgical test-work for this project. The test-work is aimed at prioritising the various options for upgrading the magnetite ore by a combination of magnetic separation and screening. When this work is completed this will increase the initial exploration target* which has been estimated to be between 510 and 850 million tonnes of iron mineralisation at an expected grade of 30%-43% Fe.

** Exploration Target*

All statements as to Exploration Target and statements of potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained herein as to exploration results or Exploration Target has been made consistent with the requirements of the JORC Code.

Directors' Report

Significant changes in the state of affairs

On 15 January 2013 the company's subsidiary Mineral & Coal Investments Pty Ltd ('MCI') entered into a Farm-In and Joint Venture Agreement with Square Exploration Pty Ltd ('Square'); with respect to MCI's tenements EPC 1631 and EPC 1820 and competing/secondary EPC applications 2154, 2634, 2698 and 2899. These tenements are in the Calen Basin which is some 45km north of Mackay.

Under the terms of the Agreement, Square is able to earn up to a 51% interest in the tenements through sole funding of Stage 1 exploration program expenditure including 3,000 metres of exploration drilling.

Square can earn an additional 24% interest through sole funding of Stage 2 exploration program expenditure including a pre-feasibility study.

Square can earn an additional 15% interest through sole funding of Stage 3 exploration program expenditure including a feasibility study.

If the Farm-In proceeds to completion of Stage 3, the consolidated entity will hold 5.786% of the joint venture.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity has currently reduced field exploration activities until confidence has picked up in the coal sector and the market price of coal has recovered to a level where further field exploration becomes viable again.

Environmental regulation

The consolidated entity is subject to and compliant with all aspects of environmental regulations of its exploration activities. Management are not aware of any environmental law that has not been complied with.

Information on directors

Name:	Anthony Howland-Rose
Title:	Executive Director and Chairman
Qualifications:	MSc, DIC, FGS, FIMMM, FAusIMM, FAIG, Ceng
Experience and expertise:	Appointed to the Board in December 2010, Mr Howland-Rose has over 49 years experience in exploration, discovery, development and corporate activity worldwide in the junior exploration sector. He has been involved in some dozen discoveries and, most recently, in the Avebury Nickel Project, which was taken over by Zinifex Limited for $850 million.
Other current directorships:	Director of Central Iron Ore Limited, listed on the Toronto Stock Exchange - Venture (appointed on 3 June 2011) and Chairman of Allegiance Coal Limited (appointed on 13 April 2011)
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	13,448,478 ordinary shares
Interests in options:	5,000,000 options over ordinary shares

Name:	David Deitz
Title:	Executive Director and Chief Executive Officer
Qualifications:	B.Com, MAusIMM, CPA
Experience and expertise:	Appointed to the Board in July 1999, Mr Deitz, a financial accountant, has had over 20 years' experience in the mineral exploration industry.
Other current directorships:	Director of Allegiance Coal Limited (appointed on 13 April 2011)
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	28,625,677 ordinary shares
Interests in options:	4,200,000 options over ordinary shares

Name:	Eddie Lee
Title:	Non-Executive Director
Qualifications:	BE, BSc, DIP BDG SC
Experience and expertise:	Appointed to the Board in October 1999, Mr Lee has extensive background in corporate management and is the Australia representative of several substantial Asian investment and corporate groups. Mr Lee has wide experience in the fields of civil engineering, finance, corporate management and mining.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,038,378 ordinary shares
Interests in options:	640,000 options over ordinary shares

Name:	David Atkinson (resigned on 19 October 2012)
Title:	Former Non-Executive Director
Experience and expertise:	Appointed to the Board in October 2002, Mr Atkinson has over 22 years' experience in the IT industry. He has held many roles as a director. He has extensive experience in the development of financial systems for Government, Advertising, Property and Telecommunications industries.
Other current directorships:	Not applicable as no longer a director
Former directorships (in the last 3 years):	Not applicable as no longer a director
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary

Graham Hurwitz (CA, B Comm (Hons)) was appointed company secretary of Gullewa Limited on 12 November 2010. Graham is a Chartered Accountant with over 30 years' experience in the areas of taxation, business services, business acquisitions and disposals. He is a director of Hurwitz Geller Pty Ltd, a firm of Chartered Accountants. Prior to this he was the Chief Financial Officer at Allegiance Mining NL and a director of an accountancy practice for over 20 years.

Meetings of directors

The number of meetings of the company's Board of Directors ("the Board") held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
Anthony Howland-Rose	4	4
David Deitz	4	4
Eddie Lee	4	4
David Atkinson	2	2

Held: represents the number of meetings held during the time the director held office.

The roles of the Nomination and Remuneration Committee and Audit Committee were performed by the full Board.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation

A. Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company. The Nomination and Remuneration Committee may use external remuneration consultants when necessary, see 'Use of remuneration consultants' section in this report.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth and delivering constant or increasing return on assets
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, where necessary, seeks the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 November 2009, where the shareholders approved an aggregate remuneration of $300,000.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

There are no short-term incentives ('STI').

The long-term incentives ('LTI') includes long service leave and share-based payments.

Consolidated entity performance and link to remuneration

There is no link between the consolidated entity's performance and remuneration.

Use of remuneration consultants

During the financial year ended 30 June 2013, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') and long-term incentives ('LTI') programs.

Voting and comments made at the company's 2012 Annual General Meeting ('AGM')

At the last AGM 98.7% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2012. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors of Gullewa Limited are set out in the following tables. Other than the directors, there are no other key management personnel, defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

2013	**Short-term benefits**			**Post employment benefits**	**Long-term benefits**	**Share-based payments**	
Name	**Cash salary and fees $**	**Bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity settled $**	**Total $**
Non-Executive Directors :							
E Lee	27,500	-	-	-	-	-	27,500
D Atkinson*	9,500	-	-	-	-	-	9,500
Executive Directors :							
A Howland-Rose	108,000	-	-	-	-	161,000	269,000
D Deitz	146,750	-	-	13,208	-	-	159,958
	291,750	-	-	13,208	-	161,000	465,958

* Remuneration is for the period to resignation.

2012	Short-term benefits			Post employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity settled $	Total $
Non-Executive Directors :							
E Lee	38,000	-	-	-	-	-	38,000
D Atkinson	38,000	-	-	-	-	-	38,000
Executive Directors :							
A Howland-Rose	158,550	-	-	50,000	-	-	208,550
D Deitz	212,679	-	-	17,341	-	-	230,020
	447,229	-	-	67,341	-	-	514,570

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2013	2012	2013	2012	2013	2012
Non-Executive Directors :						
E Lee	100%	100%	-%	-%	-%	-%
D Atkinson	100%	100%	-%	-%	-%	-%
Executive Directors:						
A Howland-Rose	40%	100%	-%	-%	60%	-%
D Deitz	100%	100%	-%	-%	-%	-%

C. ***Service agreements***

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D. ***Share-based compensation***

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows :

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
4 July 2012	Vested immediately	4 July 2017	$0.100	$0.0322

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2013 are set out below :

Name	Number of options granted during the year 2013	Number of options granted during the year 2012	Number of options vested during the year 2013	Number of options vested during the year 2012
Anthony Howland-Rose	5,000,000	-	5,000,000	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2013 are set out below :

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Anthony Howland-Rose	161,000	-	-	60

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Gullewa Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
8 December 2009	30 November 2014	$0.119	5,480,000
7 March 2011	6 March 2016	$0.223	4,475,000
16 May 2011	15 May 2016	$0.223	1,000,000
16 May 2012	16 May 2017	$0.100	1,300,000
4 July 2012	4 July 2017	$0.100	5,000,000
			17,255,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no shares of Gullewa Limited issued on the exercise of options during the year ended 30 June 2013 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of Deloitte Touche Tohmatsu

There are no officers of the company who are former audit partners of Deloitte Touche Tohmatsu.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David Deitz
Director

25 September 2013
Sydney

Deloitte Touche Tohmatsu
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The Board of Directors
Gullewa Limited
Level 8 Quantum House

49-51 York Street
SYDNEY NSW 2000

Dear Board Members

Gullewa Limited

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

As lead audit partner for the audit of the financial statements of Gullewa Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants
Sydney, 25 September 2013

Corporate Governance Statement

30 June 2013

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2013.

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ('ASX Principles and Recommendations'), Gullewa Limited ('the company') has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Principles and Recommendations, the company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the company and the Board, resources available and activities of the company. Where, after due consideration, the company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the company's corporate governance practices is set out on the company's website at www.gullewa.com. In accordance with the ASX Principles and Recommendations, information published on the company's website includes charters (for the board and its sub-committees), the company's code of conduct and other policies and procedures relating to the Board and its responsibilities.

Explanations for departures from best practice recommendations

During the company's 2012/2013 financial year ("Reporting Period"), the company has complied with the ASX Principles and Recommendations other than in relation to the matters specified below:

Principle Ref	Recommendation Ref	Notification of Departure	Explanation of Departure
2	2.1	The majority of the board's directors are not independent as 2 of the 4 directors are both substantial shareholders and executive directors of the company.	The skills and experience of both the independent and non-independent directors allow the board to act in the best interests of the shareholder.
2	2.4	The chairman is an executive of the company. He is also a substantial shareholder.	The board considers that, in view of the size and scope of the company's activities, it is appropriate for Mr. Howland-Rose to lead the company. The Board considers that Mr. Howland-Rose is the most suitably qualified Board member to fulfil this role subject to review by the Board from time to time to ensure that the best interests of the company and its shareholders continue to be served by the current structure.
3	3.3	The board is composed of male directors.	The skills and experience of the directors allow the board to act in the best interests of the shareholder. The company does not have the resources or infrastructure to set, monitor or report on measurable objectives for achieving gender diversity, and as such does not comply with ASX Governance Recommendation 3.3.

Nomination committee

The names and qualifications of those appointed to the nomination committee, being the full Board, and their attendance at meetings of the committee are included in the directors' report.

Remuneration committee
The names of the members of the remuneration committee, being the full Board, and their attendance at meetings of the committee are detailed in the directors' report.

Further details of remuneration, including the company's policy on remuneration, are contained in the 'Remuneration report' which forms part of the directors' report.

Board composition
The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

Independent directors
In considering the independence of directors, the Board refers to the criteria for independence as recommended by the ASX. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter/Statement of Board and Management Functions, which is disclosed in full on the company's website.

Applying the independence criteria, the Board considers that Messrs David Atkinson and Eddie Lee are independent.

Statement concerning availability of independent professional advice
If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director, then provided the director first obtains approval for incurring such expense from the chairperson, the company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance evaluation of the board
The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

Diversity policy
The participation of women in the company and consolidated entity at 30 June 2013 was as follows:

- Women employees in the consolidated entity 25%
- Women in senior management positions 25%
- Women on the board 0%

The company does not have the resources or infrastructure to set, monitor or report on measurable objectives for achieving gender diversity, and as such does not comply with ASX Governance Recommendation 3.3.

Other information
Further information relating to the company's corporate governance practices and policies have been made publicly available on the company's web site.

Website: *www.gullewa.com.*

Financial Report

30 June 2013

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General information

The financial report covers Gullewa Limited as a consolidated entity consisting of Gullewa Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Gullewa Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gullewa Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 2
49-51 York Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25 September 2013. The directors have the power to amend and reissue the financial report.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Note	Consolidated 2013 $	2012 $
Revenue	4	21,221	25,452
Other income	5	353,967	724,057
Expenses			
Administration expenses		(1,223,207)	(1,312,183)
Employee benefits expense	6	(983,150)	(1,200,555)
Depreciation and amortisation expense	6	(41,637)	(35,803)
Impairment of exploration, evaluation and development asset	6	(533,687)	-
Subsidiary listing expense written off		(50,600)	(630,585)
Share of loss of associates accounted for using the equity method		(526,328)	(775,214)
Other expenses		(235,202)	(340,865)
Finance costs	6	(76,483)	(82,149)
Loss before income tax (expense)/benefit		(3,295,106)	(3,627,845)
Income tax (expense)/benefit	7	58,180	(913,534)
Loss after income tax (expense)/benefit for the year		(3,236,926)	(4,541,379)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(3,236,926)	(4,541,379)
Loss for the year is attributable to:			
Non-controlling interest		(442,620)	(495,948)
Owners of Gullewa Limited	22	(2,794,306)	(4,045,431)
		(3,236,926)	(4,541,379)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(442,620)	(495,948)
Owners of Gullewa Limited		(2,794,306)	(4,045,431)
		(3,236,926)	(4,541,379)
		Cents	**Cents**
Basic earnings per share	36	(1.866)	(2.735)
Diluted earnings per share	36	(1.866)	(2.735)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

As at 30 June 2013

	Note	Consolidated 2013 $	2012 $
Assets			
Current assets			
Cash and cash equivalents	8	6,259,623	9,182,853
Trade and other receivables	9	512,609	426,992
Inventories	10	-	1,595,725
Other financial assets	11	195,040	255,104
Total current assets		6,967,272	11,460,674
Non-current assets			
Investments accounted for using the equity method	12	376,494	902,822
Other financial assets	13	26,478	24,657
Property, plant and equipment	14	93,133	83,728
Intangibles	15	51,934	30,252
Exploration, evaluation and development	16	5,555,334	4,510,261
Total non-current assets		6,103,373	5,551,720
Total assets		13,070,645	17,012,394
Liabilities			
Current liabilities			
Trade and other payables	17	385,774	763,549
Borrowings	18	509,170	1,054,084
Provisions	19	-	21,545
Total current liabilities		894,944	1,839,178
Total liabilities		894,944	1,839,178
Net assets		12,175,701	15,173,216
Equity			
Contributed equity	20	21,294,326	21,294,326
Reserves	21	1,098,917	859,506
Accumulated losses	22	(12,275,123)	(9,480,817)
Equity attributable to the owners of Gullewa Limited		10,118,120	12,673,015
Non-controlling interest	23	2,057,581	2,500,201
Total equity		12,175,701	15,173,216

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2013

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2011	20,928,726	861,988	(11,116,229)	1,803	10,676,288
Loss after income tax (expense)/benefit for the year	-	-	(4,045,431)	(495,948)	(4,541,379)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(4,045,431)	(495,948)	(4,541,379)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	-	-	-	8,605,388	8,605,388
Issue of shares on conversion of options	290,000	-	-	-	290,000
Transfer of options to shares	75,600	(75,600)	-	-	-
Difference arising on disposal of interest in Allegiance Coal Limited	-	(69,801)	5,680,843	(5,611,042)	-
Issue of options	-	142,919	-	-	142,919
Balance at 30 June 2012	21,294,326	859,506	(9,480,817)	2,500,201	15,173,216

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2012	21,294,326	859,506	(9,480,817)	2,500,201	15,173,216
Loss after income tax (expense)/benefit for the year	-	-	(2,794,306)	(442,620)	(3,236,926)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(2,794,306)	(442,620)	(3,236,926)
Transactions with owners in their capacity as owners:					
Issue of options	-	239,411	-	-	239,411
Balance at 30 June 2013	21,294,326	1,098,917	(12,275,123)	2,057,581	12,175,701

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Cash flows from operating activities			
Receipts from customers		-	3,300
Payments to suppliers and employees		(2,400,574)	(2,286,153)
Dividends received		-	250
Interest received		317,567	622,390
Other revenue		21,221	21,902
Interest and other finance costs paid		(76,483)	(82,149)
Net cash used in operating activities	35	(2,138,269)	(1,720,460)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(38,271)	(51,076)
Payments for intangibles	15	(34,453)	(15,732)
Payments for exploration and evaluation	16	(1,578,760)	(2,308,707)
Payments for other financial assets		(1,821)	(25,000)
Proceeds from sale of investment property		1,413,258	760,000
Interest capitalisation for security deposits		-	(831)
Net cash used in investing activities		(240,047)	(1,641,346)
Cash flows from financing activities			
Proceeds from issue of shares	20	-	290,000
Proceeds from capital injection by non-controlling interest		-	8,605,388
Proceeds from borrowings		43,294	107,193
Repayment of borrowings		(588,208)	-
Net cash from/(used in) financing activities		(544,914)	9,002,581
Net increase/(decrease) in cash and cash equivalents		(2,923,230)	5,640,775
Cash and cash equivalents at the beginning of the financial year		9,182,853	3,542,078
Cash and cash equivalents at the end of the financial year	8	6,259,623	9,182,853

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below.

The following new Accounting Standard is most relevant to the consolidated entity:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The consolidated entity has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

For the year ended 30 June 2013, the consolidated entity incurred a loss from continuing operations after tax of $3,236,926 (2012: $4,541,379). In the same period the consolidated entity had operating cash outflows of $2,138,269 (2012: $1,720,460) and cash outflows from investing activities of $240,047 (2012: $1,641,346).

A cash flow forecast for the next 12 months prepared by management has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

No adjustments have been made relating to recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for assets designated at fair value through profit or loss. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gullewa Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. Gullewa Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of commodities

Revenue from the sale of commodities is recognised upon the delivery of commodities to customers and the associated risks of ownership have passed.

Sale of shares

Revenue on the sale of shares at fair value through profit or loss and available-for-sale assets is recognised on trade date when the risks and rewards of ownership have passed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Investment properties are classified as inventory as they are in the process of being sold in the ordinary course of business. These are valued at the fair value on the date of reclassification.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity’s share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the consolidated entity’s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 ‘Impairment of Assets’ as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

Jointly controlled assets

A jointly controlled asset is a contractual arrangement whereby two or more parties has control over its share of future economic benefits through its share of the jointly controlled asset. Investments in jointly controlled assets are recognised in the financial statements by its share of the jointly controlled asset, classified according to the nature of the asset, any liabilities that it has incurred, its share of any liabilities incurred jointly with the other parties to the jointly controlled asset and any income from the sale or use of its share of the output, together with its share of any expenses incurred by the joint venture. As the assets, liabilities, income and expenses are recognised in the financial statements of the venturer, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.

Investments and other financial assets

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment

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

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

Plant and equipment	5 years
Motor vehicles	5 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Computer software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Exploration, evaluation and development assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gullewa Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

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

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

AASB 10 Consolidated Financial Statements

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

AASB 11 Joint Arrangements

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

AASB 12 Disclosure of Interests in Other Entities

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

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

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

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)
These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

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

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

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

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

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

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

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

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

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

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 ‘Income Taxes’; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

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

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

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

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of the amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

Note 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity (refer to note 37).

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down (refer to note 14).

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made (refer to note 7).

Exploration and evaluation costs

The consolidated entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at cost (refer to note 15).

Note 3 Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 3 operating segments: exploration and evaluation, property development and investments. These operating segments are based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segments are identified by management based on the nature of the type of investment. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis. The reportable segments are based on the similarity of the investments made and the common regulatory environment applicable to each reportable segment. There is a clear designation of responsibility and accountability by the CODM for the management and performance of these reportable segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Exploration and evaluation	The consolidated entity is involved in exploration and evaluation for minerals.
Property development	The consolidated entity acquires investment properties for capital appreciation and derivation of rental income.
Investments	The consolidated entity invests in shares in listed and unlisted entities.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

The consolidated entity does not generate revenue from customers.

Operating segment information

	Exploration and evaluation $	Property holdings $	Investments $	Intersegment eliminations/ unallocated $	Total $
Consolidated - 2013					
Revenue					
Other revenue	13,634	12,132	-	(4,545)	21,221
Total revenue	13,634	12,132	-	(4,545)	21,221
EBITDA before net loss of associates	(1,008,357)	(5,904)	(711)	(1,419,566)	(2,434,538)
Depreciation and amortisation					(41,637)
Impairment of assets					(533,687)
Interest revenue					317,567
Finance costs					(76,483)
Share of net losses of associates					(526,328)
Loss before income tax benefit					(3,295,106)
Income tax benefit					58,180
Loss after income tax benefit					(3,236,926)
Assets					
Segment assets	9,029,556	(1,446)	1,619,188	2,423,347	13,070,645
Total assets					13,070,645
Total assets includes:					
Investments in associates	-	-	538,944	-	538,944
Acquisition of non-current assets	1,578,760	-	-	-	1,578,760
Liabilities					
Segment liabilities	746,537	210	-	148,197	894,944
Total liabilities					894,944

Consolidated - 2012	Exploration and evaluation $	Property holdings $	Investments $	Intersegment eliminations/ unallocated $	Total $
Revenue					
Other revenue	-	11,809	-	13,643	25,452
Total revenue	-	11,809	-	13,643	25,452
EBITDA before net loss of associates	(1,495,571)	(34,794)	(636)	(1,826,068)	(3,357,069)
Depreciation and amortisation					(35,803)
Interest revenue					622,390
Finance costs					(82,149)
Share of net losses of associates					(755,214)
Loss before income tax expense					(3,627,845)
Income tax expense					(913,534)
Loss after income tax expense					(4,541,379)
Assets					
Segment assets	10,484,086	1,616,896	913,586	3,997,826	17,012,394
Total assets					17,012,394
Total assets includes:					
Investments in associates	-	-	902,822	-	902,822
Acquisition of non-current assets	2,308,707	-	67,639	-	2,376,346
Liabilities					
Segment liabilities	1,149,201	589,383	-	100,594	1,839,178
Total liabilities					1,839,178

Note 4 Revenue

	Consolidated 2013 $	Consolidated 2012 $
Dividends	-	250
Rent	-	3,300
Other revenue	21,221	21,902
Revenue	21,221	25,452

Note 5 Other income

	2013 $	2012 $
Net gain on disposal of investment property	36,400	101,667
Interest income	317,567	622,390
Other income	353,967	724,057

Note 6 Expenses

Loss before income tax includes the following specific expenses :

	2013 $	2012 $
Depreciation		
Leasehold improvements	240	222
Plant and equipment	13,771	16,613
Motor vehicles	14,855	9,569
Total depreciation	28,866	26,404
Amortisation		
Computer software	12,771	9,399
Total depreciation and amortisation	41,637	35,803
Impairment		
Exploration, evaluation and development	533,687	-
Finance costs		
Interest and finance charges paid/payable	76,483	82,149
Rental expense relating to operating leases		
Minimum lease payments	140,379	136,453

	Consolidated 2013 $	Consolidated 2012 $
Revaluation of shares		
Revaluation of shares		
	64,864	81,451
Employee benefits expense		
Defined contribution superannuation expense	104,813	140,562
Share-based payments expense	239,411	142,919
Other wages and salaries	638,826	917,074
Total employee benefits expense	983,150	1,200,555

Note 7 Income tax expense/(benefit)

	2013 $	2012 $
Income tax expense/(benefit)		
Current tax	(58,180)	-
Deferred tax – origination and reversal of temporary differences	-	913,534
Aggregate income tax expense/(benefit)	(58,180)	913,534
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease in deferred tax assets	-	913,534
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit	(3,295,106)	(3,627,845)
Tax at the statutory tax rate of 30%	(988,532)	(1,088,354)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	71,823	42,875
	(916,709)	(1,045,479)
Current temporary differences not recognised	858,529	1,045,479
Prior year temporary differences recognised now derecognised	-	913,534
Income tax expense/(benefit)	(58,180)	913,534

Note 8 Current assets – cash and cash equivalents

	Consolidated	
	2013	2012
	$	$
Cash on hand	821	997
Cash at bank	6,258,802	9,181,856
	6,259,623	9,182,853

Note 9 Current assets – trade and other receivables

Other receivables and deposits	512,609	426,992

Note 10 Current assets - inventories

Property at Normanhurst	-	659,614
Property at West Pymble	-	936,111
	-	1,595,725

The properties were classified as inventory as they were sold in the ordinary course of business.

123 Pennant Hills Road, Normanhurst
Contracts were exchanged on lots 3 and 4 at 123 Pennant Hills Road, Normanhurst and the sales were settled by 31 December 2012.

67 Yanko Road, West Pymble
Contracts were exchanged on Yanko Road, West Pymble and the sale was settled on 31 March 2013.

Note 11 Current assets – other financial assets

Designated at fair value through profit or loss	63,190	128,054
Shares in unlisted corporations – at cost	131,850	127,050
	195,040	255,104

Note 12 Non-current assets – investments accounted for using the equity method

Investment in associates	376,494	902,822

Refer to note 33 for further information on investments in associates

Note 13 Non-current assets – other financial assets

	Consolidated 2013 $	Consolidated 2012 $
Term deposits	26,478	24,657

Note 14 Non-current assets – property, plant and equipment

	Consolidated 2013 $	Consolidated 2012 $
Leasehold improvements – at cost	2,403	2,403
Less : Accumulated depreciation	(462)	(222)
	1,941	2,181
Plant and equipment – at cost	95,454	131,729
Less : Accumulated depreciation	(48,432)	(73,417)
	47,022	58,312
Motor vehicles – at cost	75,258	51,818
Less : Accumulated depreciation	(31,088)	(28,583)
	44,170	23,235
	93,133	83,728

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below :

	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Consolidated				
Balance at 1 July 2011	-	26,252	32,804	59,056
Additions	2,403	48,673	-	51,076
Depreciation expense	(222)	(16,613)	(9,569)	(26,404)
Balance at 30 June 2012	2,181	58,312	23,235	83,728
Additions	-	2,481	35,790	38,271
Depreciation expense	(240)	(13,771)	(14,855)	(28,866)
Balance at 30 June 2013	1,941	47,022	44,170	93,133

Note 15 Non-current assets – intangibles

	Consolidated 2013 $	Consolidated 2012 $
Patents and trademarks – at cost	24,453	-
	24,453	-
Computer software – at cost	52,714	42,714
Less : Accumulated amortisation	(29,648)	(16,877)
	23,066	25,837
Other intangibles – at cost	4,415	4,415
	4,415	4,415
	51,934	30,252

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below :

	Patents and trademarks $	Computer software $	Other intangibles $	Total $
Consolidated				
Balance at 1 July 2011	-	19,504	4,415	23,919
Additions	-	15,732	-	15,732
Amortisation expense	-	(9,399)	-	(9,399)
Balance at 30 June 2012	-	25,837	4,415	30,252
Additions	24,453	10,000	-	34,453
Amortisation expense	-	(12,771)	-	(12,771)
	24,453	23,066	4,415	51,934

Note 16 Non-current assets – exploration, evaluation and development

	Consolidated 2013 $	Consolidated 2012 $
Exploration, evaluation and development assets – at cost	6,089,021	4,510,261
Less : impairment	(533,687)	-
	5,555,334	4,510,261

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below :

	Exploration, evaluation and development $	Total $
Consolidated		
Balance at 1 July 2011	2,201,554	2,201,554
Additions	2,308,707	2,308,707
Balance at 30 June 2012	4,510,261	4,510,261
Additions	1,578,760	1,578,760
Impairment of assets	(533,687)	(533,687)
Balance at 30 June 2013	5,555,334	5,555,334

Note 17 Current liabilities – trade and other payables

	Consolidated 2013 $	2012 $
Trade payables	172,115	603,872
Accrued expenses	95,883	88,928
Other payables	117,776	70,749
	385,774	763,549

Refer to note 25 for further information on financial instruments.

Note 18 Current liabilities - borrowings

Advance from shareholder in controlled entity (unsecured)	509,170	465,876
Bank loans	-	588,208
	509,170	1,054,084

Total secured liabilities

The total secured current liabilities are as follows :

Bank loans	-	588,208

Assets pledged as security

The bank loan was secured by a first mortgage over the consolidated entity's property at 67 Yanko Road, West Pymble, New South Wales.

	Consolidated 2013 $	Consolidated 2012 $
The carrying amounts of assets pledged as security for current borrowings are :		
Property at 67 Yanko Road, West Pymble	-	936,111

Note 19 Current liabilities - provisions

	2013 $	2012 $
Employee benefits	-	21,545

Note 20 Equity – contributed equity

	Consolidated 2013 Shares	Consolidated 2012 Shares	Consolidated 2013 $	Consolidated 2012 $
Ordinary share – fully paid	149,723,100	149,723,100	21,294,326	21,294,326

Movements in ordinary share capital

Details	Date	No. of shares	Issue price	$
Balance	1 July 2011	145,723,100		20,928,726
Issue of shares on conversion of options	16 December 2011	4,000,000	$0.073	290,000
Transfer of capital from share options	16 December 2011	-		75,600
Balance	30 June 2012	149,723,100		21,294,326
Balance	30 June 2013	149,723,100		21,294,326

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2012 Annual Report.

Note 21 Equity - reserves

	Consolidated 2013 $	Consolidated 2012 $
Capital profits reserve	204,828	204,828
Share-based payments reserve	894,089	654,678
	1,098,917	859,506

	Capital profits $	Share-based payments $	Total $
Consolidated			
Balance at 1 July 2011	204,828	657,160	861,988
Transfer of options to shares	-	(75,600)	(75,600)
Issue of options	-	142,919	142,919
Difference arising on disposal of interest in Allegiance Coal Limited	-	(69,801)	(69,801)
Balance at 30 June 2012	204,828	654,678	859,506
Issue of options	-	239,411	239,411
Balance at 30 June 2013	204,828	894,089	1,098,917

Capital profits reserve

The capital profits reserve arose historically and is available for distribution.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 22 Equity – accumulated losses

	Consolidated 2013 $	Consolidated 2012 $
Accumulated losses at the beginning of the financial year	(9,840,817)	(11,116,229)
Loss after income tax (expense)/benefit for the year	(2,794,306)	(4,045,431)
Difference arising on disposal of interest in Allegiance Coal Limited	-	5,680,843
Accumulated losses at the end of the financial year	(12,275,123)	(9,480,817)

During the previous financial year, Allegiance Coal Limited raised additional capital both pre IPO and on IPO, effectively reducing Gullewa's shareholding to 57.86%. Net proceeds of $8,605,388 were received in cash.

The proportionate share of the carrying amount of the net liabilities of Allegiance Coal Limited was transferred to non-controlling interests in the previous financial year. The difference of $5,680,843 between the increase in the non-controlling interest and consideration received was credited to accumulated losses, as above.

Note 23 Equity – non-controlling interest

	2013	2012
Contributed equity	8,625,388	8,625,388
Reserves	63,054	63,054
Accumulated losses	(6,630,861)	(6,188,241)
	2,057,581	2,500,201

The contributed equity represents the non-controlling interest in the Allegiance Coal Limited share capital.

Note 24 Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25 Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the directors under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. The Board identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

Market risk

Foreign currency risk

The consolidated entity is not exposed to significant foreign currency risk.

Price risk
The consolidated entity is exposed to equity securities price risk because of the listed investments held, classified as either at fair value through profit or loss, or available-for-sale investments. The consolidated entity was also exposed to price risk in the Australian housing market, due to its ownership of an investment property, although this risk is not significant to the consolidated entity. The consolidated entity does not hedge its price risks.

At 30 June 2013, if equity prices had been 10% higher or lower and all other variables were held constant the consolidated entity's net assets would increase/decrease by $6,000 (2012: $9,000) as a result of the change in the value of financial assets held at fair value through profit or loss and available-for-sale investments.

Interest rate risk
The consolidated entity's main interest rate risk arises from cash and cash equivalents.

The sensitivity analyses have been determined based on the exposure to interest rates and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At reporting date, if interest rates had been 50 basis points (2012: 50 basis points) higher or lower and all other variables were held constant, the consolidated entity's net profit and net assets would increase/decrease by $31,294 (2012: $45,909).

Credit risk
Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit ratings agencies. The consolidated entity does not have any significant receivables.

The consolidated entity's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and realising its financial assets to meet any forecast cash outflow commitments.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2013	**Weighted average interest rate**	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturity**
	%	**$**	**$**	**$**	**$**	**$**
Non-derivatives						
Non-interest bearing						
Trade payables	-	172,115	-	-	-	172,115
Other payables	-	117,776	-	-	-	117,776
Advance from shareholder	-	509,170	-	-	-	509,170
Total non-derivatives	-	799,061	-	-	-	799,061

Consolidated - 2012	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturity $
Non-derivatives						
Non-interest bearing						
Trade payables	-	603,872	-	-	-	603,872
Other payables	-	70,749	-	-	-	70,749
Advance from shareholder	-	465,876	-	-	-	465,876
Interest-bearing – variable rate						
Bank loans	6.78	628,089	-	-	-	628,089
Total non-derivatives		1,768,586	-	-	-	1,768,586

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated – 2013				
Assets				
Financial assets at fair value through profit or loss – marketable securities	63,190	-	-	63,190
Total assets	63,190	-	-	63,190
Consolidated - 2012				
Assets				
Financial assets at fair value through profit or loss – marketable securities	128,054	-	-	128,054
Total assets	128,054	-	-	128,054

There were no transfers between levels during the financial year.

The financial liabilities are reflected at the amounts due to suppliers in terms of arrangements agreed with these suppliers. The financial assets, being bank deposits and bank accounts, are reflected at agreed contractual value together with interest expected to be received based on contractual documentation.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 26 Key management personnel disclosures

Directors

The following persons were directors of Gullewa Limited during the financial year :

Anthony Howland-Rose	Executive Director and Chairman
David Deitz	Executive Director and Chief Executive Officer
Eddie Lee	Non-Executive Director
David Atkinson (resigned on 19 October 2012	Former Non-Executive Director

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below :

	Consolidated	
	2013	2012
	$	$
Short-term employee benefits	291,750	447,229
Post-employment benefits	13,208	67,341
Share-based payments	161,000	-
	465,958	514,570

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of Remuneration	Additions	Disposals/ other	Balance at the end of the year
2013					
Ordinary shares					
Anthony Howland-Rose	13,198,478	-	250,000	-	13,448,478
David Deitz	28,625,677	-	-	-	28,625,677
Eddie Lee	3,038,378	-	-	-	3,038,378
	44,862,533	-	250,000	-	45,112,533

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
2012					
Ordinary shares					
Anthony Howland-Rose	12,159,478	-	1,039,000	-	13,198,478
David Deitz	25,625,677	-	4,000,000	(1,000,000)	28,625,677
Eddie Lee	3,038,378	-	-	-	3,038,378
David Atkinson	395,278	-	-	(395,278)	-
	41,218,811	-	5,039,000	(1,395,278)	44,862,533

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other *	Balance at the end of the year
2013					
Options over ordinary shares					
Anthony Howland-Rose	-	5,000,000	-	-	5,000,000
David Deitz	4,200,000	-	-	-	4,200,000
Eddie Lee	640,000	-	-	-	640,000
David Atkinson	640,000	-	-	(640,000)	-
	5,480,000	5,000,000	-	(640,000)	9,840,000

* Expired/forfeited/other represents no longer key management personnel not necessarily disposal of holding.

	Vested and exercisable	Vested and un-exercisable	Vested at end of the year
2013			
Options over ordinary shares			
Anthony Howland-Rose	5,000,000	-	5,000,000
David Deitz	4,200,000	-	4,200,000
Eddie Lee	640,000	-	640,000
	9,840,000	-	9,840,000

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other *	Balance at the end of the year
2012					
Options over ordinary shares					
David Deitz	11,200,000	-	(4,000,000)	(3,000,000)	4,200,000
Eddie Lee	1,980,000	-	-	(1,340,000)	640,000
David Atkinson	2,640,000	-	-	(2,000,000)	640,000
	15,820,000	-	(4,000,000)	(6,340,000)	5,480,000

	Vested and exercisable	Vested and un-exercisable	Vested at end of the year
2012			
Options over ordinary shares			
David Deitz	4,200,000	-	4,200,000
Eddie Lee	640,000	-	640,000
David Atkinson	640,000	-	640,000
	5,480,000	-	5,480,000

Related party transactions

Related party transactions are set out in note 30.

Note 27 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company, and unrelated firms:

	Consolidated 2013 $	Consolidated 2012 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	75,000	67,050
Other services - Deloitte Touche Tohmatsu		
Preparation of the tax return	-	20,900
	75,000	87,950
Audit services – unrelated firms		
Audit or review of the financial statements	-	35,000

Note 28 Contingent liabilities

There were no contingent liabilities at 30 June 2013 or 30 June 2012.

Note 29 Commitments

	Consolidated	
	2013	2012
	$	$
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Intangible assets *	4,378,236	5,971,884
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	27,500	-

* The amount is the minimum spend on subsidiaries of Gullewa Limited and Allegiance Coal Limited tenements in order to maintain the tenements.

An operating lease was entered into as a means of acquiring plant and equipment. The lease is fixed for one year and then moves onto a monthly rolling contract.

Note 30 Related party transactions

Parent entity
Gullewa Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Associates
Interests in associates are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2013 $	2012 $
Other *income:*		
Management fees from associate, Central Iron Ore Limited	133,702	-
Other *transactions:*		
Interesources Pty Limited, a company wholly-owned by David Deitz, a director of the parent entity, carried out geological surveys for the parent entity during the year.	124,215	63,800
Wages paid to Mendel Deitz, son of David Deitz, a director of the parent entity.	59,174	48,333

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2013 $	2012 $
Current receivables:		
Loan to Interesources Pty Limited, a company wholly-owned by David Deitz, a director of the parent entity.	25,090	22,295

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 31 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2013	2012
	$	$
Loss after income tax	(1,919,138)	(2,004,484)
Total comprehensive income	(1,919,138)	(2,004,484)
Statement of financial position		
Total current assets	8,872,544	3,735,697
Total assets	10,511,507	5,389,551
Total current liabilities	6,902,276	100,593
Total liabilities	6,902,276	100,593
Equity		
Contributed equity	21,294,326	21,294,326
Capital profits reserve	284,828	284,828
Share-based payments reserve	711,674	472,263
Accumulated losses	(18,681,597)	(16,762,459)
Total equity	3,609,231	5,288,958

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2013 and 30 June 2012.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments - property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2013 and 30 June 2012.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment.
- Investments in associates are accounted for at cost, less any impairment.

Note 32 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding 2013 $	Equity holding 2012 $
Rondav Pty Limited	Australia	100.00	100.00
Claymor Resources Pty Limited	Australia	100.00	100.00
Telephony Associates Pty Limited	Australia	82.00	82.00
Gullewa Geothermal Pty Limited	Australia	100.00	100.00
York Corporate Pty Limited	Australia	100.00	100.00
Hydromining Coal Australia Pty Limited	Australia	80.00	80.00
Cauldron Geothermal Pty Limited	Australia	100.00	100.00
Canton Property Pty Limited	Australia	60.00	60.00
Windora Exploration Pty Limited	Australia	100.00	100.00
Goonoo Exploration Pty Limited	Australia	100.00	100.00
Narwonah Pty Limited	Australia	100.00	100.00
New Italy Resources Pty Limited	Australia	100.00	100.00
Thedal Pty Limited	Australia	100.00	100.00
Minyan Pty Ltd	Australia	100.00	100.00
Mummulgum Exploration Pty Ltd	Australia	100.00	100.00
Brooklyn Bay Pty Limited	Australia	100.00	100.00
Wymble Pty Limited	Australia	100.00	100.00
Allegiance Coal Limited	Australia	57.86	57.86
Mineral & Coal Investments Pty Limited	Australia	57.86	57.86
Echidna Coal Pty Limited	Australia	57.86	57.86
Moreton Coal Pty Limited	Australia	57.86	57.86

Note 33 Investments in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates is set out below:

Associate	Principal activities	Consolidated Percentage interest 2013 %	Consolidated Percentage interest 2012 %
Our Field Pty Limited*	Property development	50.00	50.00
Central Iron Ore Limited	Mineral extraction	36.10	36.10

* The shares in Our Field Pty Limited are held by David Deitz (Chief Executive Officer) on behalf of Gullewa Limited.

Information relating to the associates is set out below.

	Consolidated 2013 $	2012 $
Share of assets and liabilities		
Assets (current and non-current) - Central Iron Ore Limited	1,375,141	1,853,656
Total assets	1,375,141	1,853,656
Liabilities (current and non-current) - Central Iron Ore Limited	87,550	39,737
Total liabilities	87,550	39,737
Net assets	1,287,591	1,813,919
Share of revenue, expenses and results		
Revenue - Our Field Pty Limited	-	1,364,612
Expenses - Our Field Pty Limited	-	(1,806,542)
Revenue - Central Iron Ore Limited	39,154	95,159
Expenses - Central Iron Ore Limited	(565,482)	(559,928)
Income tax benefit/(expense)	-	131,485
Loss before income tax	(526,328)	(775,214)

Note 34 Events after the reporting period

No matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 35 Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2013 $	Consolidated 2012 $
Loss after income tax (expense)/benefit for the year	(3,236,926)	(4,541,379)
Adjustments for:		
Depreciation and amortisation	41,637	35,803
Impairment of non-current assets	533,687	-
Net gain on disposal of non-current assets	(1,311,994)	-
Net gain on disposal of investment property	(36,400)	(101,667)
Share-based payments	239,411	142,919
Profit on shares	(4,800)	-
Revaluation of shares	-	81,451
Share of net losses of associates	526,328	775,214
Change in operating assets and liabilities :		
Decrease/(increase) in trade and other receivables	(85,617)	152,084
Decrease in inventories	1,595,725	681,279
Decrease in deferred tax assets	-	913,534
Increase/(decrease) in trade and other payables	(377,775)	140,302
Decrease in employee benefits	(21,545)	-
Net cash used in operating activities	(2,138,269)	(1,720,460)

Note 36 Earnings per share

	2013	2012
Loss after income tax	(3,236,926)	(4,541,379)
Non-controlling interest	442,620	495,948
Loss after income tax attributable to the owners of Gullewa Limited	(2,794,306)	(4,045,431)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	149,723,100	147,887,035
Weighted average number of ordinary shares used in calculating diluted earnings per share	149,723,100	147,887,035
	Cents	**Cents**
Basic earnings per share	(1.866)	(2.735)
Diluted earnings per share	(1.866)	(2.735)

17,255,000 (2012: 12,255,000) options are excluded from the above calculation as they would be anti-dilutive for the period.

Note 37 Share-based payments

Employee option plan
Gullewa Limited has no formal employee option plan. At the discretion of the directors, the directors grant options over ordinary shares in the parent entity to employees of the consolidated entity. The options are issued for nil consideration and are granted with the exercise price, as listed below, payable on exercise of the options. When exercisable, each option is convertible into one ordinary share. Options granted carry no dividend or voting rights.

Set out below are summaries of options granted under the plan:

2013

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/12/09	30/11/14	$0.119	5,480,000	-	-	-	5,480,000
07/03/11	06/03/16	$0.223	4,475,000	-	-	-	4,475,000
16/05/11	15/05/16	$0.223	1,000,000	-	-	-	1,000,000
16/05/12	16/05/17	$0.100	1,300,000	-	-	-	1,300,000
04/07/12	04/07/17	$0.100	-	5,000,000	-	-	5,000,000
			12,255,000	5,000,000	-	-	17,255,000

2012

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/06	30/11/11 *	$0.073	10,340,000	-	(4,000,000)	(6,340,000)	-
08/12/09	30/11/14	$0.119	5,480,000	-	-	-	5,480,000
07/03/11	06/03/16	$0.223	4,475,000	-	-	-	4,475,000
16/05/11	15/05/16	$0.223	1,000,000	-	-	-	1,000,000
16/05/12	16/05/17	$0.100	-	1,300,000	-	-	1,300,000
			21,295,000	1,300,000	(4,000,000)	(6,340,000)	12,255,000

* The share price at exercise date was $0.0725.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.5 years (2012: 3.5 years).

The weighted average share price during the year was $0.0615 (2012: $0.0917).

For the options granted during the current financial year, the Binominal option valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/07/12	04/07/17	$0.080	$0.100	63.37%	0.00%	4.75%	$0.0322

Directors' Declaration

In the directors' opinion :

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Deitz
Director

25 September 2013
Sydney

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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Independent Auditor's Report to the members of Gullewa Limited

Report on the Financial Report

We have audited the accompanying financial report of Gullewa Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 30 to 71.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

Deloitte.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gullewa Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

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

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

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

(b) the consolidated financial statements also comply 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 year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Gullewa Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants
Sydney, 25 September 2013

Shareholder Information

30 June 2013

The shareholder information set out below was applicable as at 1 October 2013.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	190
1,001 to 5,000	406
5,001 to 10,000	291
10,001 to 100,000	504
100,001 and over	143
	1,534
Holding less than a marketable parcel	969

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
McNeil Nominees Pty Limited	13,638,219	9.08
Fanchel Pty Ltd	9,333,648	6.22
Mr David Deitz	8,809,896	5.87
Mrs Shoshana Koncepolski	6,559,556	4.37
Mr Anthony Howland-Rose	6,421,233	4.28
Mrs Judith Krasnjanski	4,285,714	2.85
Howlandrose Holdings Pty Limited <Howlandrose Family A/C>	4,182,227	2.79
Fezune Pty Ltd <The Reid Family S/F A/C>	4,150,000	2.76
Moshe Ambarchi & Nadine Ambarchi <Buline Superannuation A/C>	4,000,000	2.66
Whittingham Securities Pty Ltd	4,000,000	2.66
UBS Wealth Management Australia Nominees Pty Ltd	3,482,143	2.32
Rainidays Pty Ltd <Rainidays Super Fund A/C>	3,000,000	2.00
Howlandrose Holdings Pty Limited	2,845,018	1.90
Ashecorp Pty Ltd <MD & DS Moss Super Fund A/C>	2,770,000	1.85
Scomac Management Services Pty Ltd	2,300,000	1.53
Mr David Deitz	2,214,022	1.47
Talfresh Pty Ltd	2,094,289	1.40
Mr Eddie Lee	1,738,378	1.16
Goldberg Super Pty Ltd <Goldberg Super A/C>	1,600,000	1.07
Sept Pty Ltd <Hall Super Fund A/C>	1,582,248	1.05
	89,006,591	59.29

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below :

	Ordinary shares	
	2013	**2012**
	$	**$**
Mr David Deitz (including McNeil Nominees and Walkaround Pty Ltd)	25,625,677	17.59
Mr Anthony Howland-Rose	12,159,478	8.34

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Schedule of Tenements and Mining Royalties

Gullewa Limited

New South Wales Tenements	Subsidiary	Location	Gullewa Interest	Area (Km^2)	Tenement Status
EL 7022 DANDALOO	Claymor Resources P/L	20 km east of Tottenham; 60 km west of Narromine	100%	157	Granted

Allegiance Coal Limited (Gullewa 57.86%)

Queensland Tenements	Subsidiary	Location	Gullewa Interest	Area (Km^2)	Tenement Status
EPC 1926 CONNEMARRA	Mineral & Coal Investments P/L	27 km north west of Springsure	57.86%	138	Granted
EPC 1297 BACK CREEK	Mineral & Coal Investments P/L	40 km north east of Miles; 40 km south east of Wandoan	57.86%	168	Renewal Pending
EPC 1298 KILMAIN	Mineral & Coal Investments P/L	43 km east of Springsure	57.86%	50	Renewal Pending
EPC 1492 TOWNSVILLE	Mineral & Coal Investments P/L	adjacent to Townsville	57.86%	494	Granted
EPC 1617 TOWNSVILLE EXTENDED	Mineral & Coal Investments P/L	35 km south south east of Townsville	57.86%	202	Granted
EPC 1631 CALEN SOUTH	Mineral & Coal Investments P/L	30 km west north west of Mackay	57.86%	161	Granted
EPC 1672 LOCHABER	Mineral & Coal Investments P/L	60 km south of Monto	57.86%	146	Granted
EPC 1820 BOLDON	Mineral & Coal Investments P/L	25 km west of Mackay	57.86%	53	Granted
EPC 1874 NORMANBY	Mineral & Coal Investments P/L	40 km south west of Cooktown	57.86%	267	Granted
EPC 1875 PINETREE	Mineral & Coal Investments P/L	110 km west of Cooktown	57.86%	670	Granted
EPC 1917 KILMAIN SOUTH	Mineral & Coal Investments P/L	46 km east south east of Springsure	57.86%	6	Granted
EPC 2278 CEDAR CREEK	Mineral & Coal Investments P/L	30 km north west of Injune	57.86%	36	Granted
EPC 2309 MOBS CREEK	Mineral & Coal Investments P/L	27 km east north east of Dalby	57.86%	96	Granted
EPCA 2374 MT MARROW	Mineral & Coal Investments P/L	12 km north west of Amberley	57.86%	91	Granted
MDL 138 MINTOVALE	Moreton Coal P/L	16 km south south west of Boonah; 59 km east north east of Warwick	57.86%	244.6 Ha	Granted

Central Iron Ore Limited (Gullewa 36.10%)

Western Australia Tenements	Subsidiary	Location	CIO Interest	Area (Km^2)	Tenement Status
E30/414 WALLING ROCK	Central Iron Ore Limited	85 km west of Menzies	100%	93	Granted
E30/415 PERINVALE S	Central Iron Ore Limited	82 km southwest of Menzies	100%	93	Granted
P30/1084 P S EXTENSION	Central Iron Ore Limited	98 km north of Leonora	100%	1	Granted
E57/818 PERINVALE N	Central West Resources Pty Ltd	170 km northwest of Leonora	100%	120	Granted
E77/1820 WINDARLING W	Central West Resources Pty Ltd	132 km north of Southern Cross	100%	12	Granted
E77/1963 WINDARLING W	Central West Resources Pty Ltd	143 km north northwest of Southern Cross	100%	6	Granted
E77/1737 WINDARLING E	Central West Resources Pty Ltd	57 km west southwest of Menzies	100%	42	Granted
E77/1749 DIEMALS N	Central West Resources Pty Ltd	148 km west of Menzies	100%	111	Granted
E77/1757 DIEMALS FAR E	Central West Resources Pty Ltd	133 km west of Menzies	100%	114	Granted
E77/1758 JOHNSON N	Central West Resources Pty Ltd	132 km north of Southern Cross	100%	39	Granted
E30/439 WALLING ROCK	Central West Resources Pty Ltd	75 km west of Menzies	100%	156	Granted
E30/440 WALLING ROCK	Central West Resources Pty Ltd	78 km west of Menzies	100%	54	Granted
E30/441 WALLING ROCK	Central West Resources Pty Ltd	74 km west of Menzies	100%	210	Granted
E29/843 WALLING ROCK	Central West Resources Pty Ltd	60 km northwest of Menzies	100%	210	Pending
E30/434 WALLING ROCK	Central West Resources Pty Ltd	70 km west northwest of Menzies	100%	126	Pending
E30/435 WALLING ROCK	Central West Resources Pty Ltd	70 km west of Menzies	100%	207	Pending
E37/882 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	141	Granted
E37/1054 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	33	Granted
E37/1085 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	24	Granted
E37/1086 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	3	Granted
E37/1106 SOUTH DARLOT	Central Iron Ore Limited	100 km north of Leonora	100%	123	Granted
M37/30 BRITISH KING	Central Iron Ore Limited	100 km north of Leonora	100%	0.1	Granted
P37/7026 BRITISH KING	Central Iron Ore Limited	100 km north of Leonora	100%	0.1	Granted
L37/162 BRITISH KING	Central Iron Ore Limited	100 km north of Leonora	100%	0.1	Granted
M37/421 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	381	Granted
M37/552 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	200	Granted
M37/631 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	776	Granted
M37/632 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	595	Granted

Central Iron Ore Limited (Gullewa 36.10%)

Western Australia Tenements	Subsidiary	Location	CIO Interest	Area (Km^2)	Tenement Status
M37/709 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	98	Granted
M37/1045 BARRICK JV	Barrick (Plutonic) Limited	100 km north of Leonora	Earning 51%	90	Granted
P37/7364 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	197	Granted
P37/7365 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	200	Granted
P37/7366 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	113	Granted
P37/7367 BARRICK JV	Barrick (Darlot) NL	100 km north of Leonora	Earning 51%	45	Granted
M24/189 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	218.15	Granted
M24/584 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	110.5	Granted
M24/585 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	104.5	Granted
M24/586 EUREKA GOLD	Central Iron Ore Limited	50 km north of Kalgoorlie	100%	130	Granted

Summary of Mining Royalties

	Interest	JV Partner	Operator
Gullewa Limited	1% Royalty	ATW Venture Australia Pty Ltd (ATW)	ATW

Gullewa's entitlement to a 1% Royalty from ATW Venture Australia Pty Ltd relates to the following tenements, located in Western Australia :

L59/50, M59/49. M59/507, M59/68, M59/132, M59/294, M59/335, M59/336, M59/356, M59/391, M59/392, M59/442, M59/522, M59/530, M59/531, L59/35, L59/49, E59/1241 (part) & E59/1242 (part).

Corporate Directory

30 June 2013

Directors	Anthony Howland-Rose - Chairman David Deitz Eddie Lee
Company secretary	David Deitz
Registered office	Suite 1, Level 2 49-51 York Street Sydney NSW 2000 Tel: +61 2 9397 7555 Fax: +61 2 9397 7575
Principal place of business	Suite 1, Level 2 49-51 York Street Sydney NSW 2000
Share register	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St George's Terrace Perth WA 6000 Tel: 1300 797 272
Auditor	Deloitte Touche Tohmatsu Grosvenor Place 225 George Street Sydney NSW 2000
Solicitors	Cardinals Ground Floor 57 Havelock Street West Perth WA 6872
Bankers	National Australia Bank 255 George Street Sydney NSW 2000
Stock exchange listing	Gullewa Limited shares are listed on the Australian Securities Exchange (ASX code: GUL) Home exchange is in Perth
Website address	www.gullewa.com