



BLACKCREST RESOURCES LIMITED
ABN 86 073 153 223

ANNUAL FINANCIAL REPORT 30 JUNE 2011

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CORPORATE INFORMATION

DIRECTORS

Mr A Crimmins
Mr A Wild
Mr R Pritchard

COMPANY SECRETARY

Mr R Marusco

REGISTERED OFFICE

Level 2, Spectrum
100 Railway Road
Subiaco WA 6008

PRINCIPAL PLACE OF BUSINESS

Level 2, Spectrum
100 Railway Road
Subiaco WA 6008

POSTAL ADDRESS

PO Box 8281
SUBIACO WA 6008

AUDITORS

RSM Bird Cameron Partners
Level 12
60 Castlereagh Street
Sydney NSW 2000

SOLICITORS

Steinepreis Paganin
Level 4 The Read Buildings
16 Milligan Street
Perth WA 6000

SHARE REGISTRY

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

INTERNET ADDRESS

www.blackcrestresources.com.au

ASX CODES

Shares BCR

COUNTRY OF INCORPORATION AND DOMICILE

Australia

DIRECTORS' REPORT

Your directors submit the annual financial report of Blackcrest Resources Limited ("the Company") for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

A Crimmins, BEng, ME, Dip Mark, MBA (Non-Executive Director)

Mr Crimmins was appointed director on 12 May 2010. He has a Master of Chemical Engineering and a Master of Business Administration Degree and his previous experience includes being a general manager, business development and project manager as well as a commercialiser of technology based products and services.

During the past three years he has also served as a non executive director of the following ASX listed companies:

- DVM International Limited
- XState Resources Limited
- Resource Star
- RKS Consolidated Limited

R Pritchard, BEng, Hons. (Civil), MIEAust, GAICD(Non-Executive Director)

Mr Pritchard was appointed director on 23 August 2010. He holds an Honours Degree in Civil Engineering and has had over 20 years experience in Civil Engineering and has been responsible for numerous infrastructure projects in the fields of telecommunications, transport, water, mining and energy.

Mr Pritchard is currently a non executive director of the following ASX listed company:

- Shell Villages and Resorts Limited

During the past three years he has also served as a non executive director of the following ASX listed company:

- WHL Energy Limited

A Wild (Non-Executive Director)

Andrew Wild is a mining engineer with more than 20 years' experience in the planning, development and delivery of critical infrastructure projects. He has successfully delivered more than \$6 billion in road, rail, water, waste and gas assets in Australia and Southeast Asia, leading the planning, approval, stakeholder, land access and risk management functions.

Mr Wild has held director and senior management positions with Australian and multi-national firms, and delivered major infrastructure projects for Lend Lease, McDonnell Dowell, Veolia, John Holland, and SITA Australia. He has led the successful formation of joint ventures, private financing and acquisitions.

Mr Wild was appointed director on 16 September 2011.

G Cornelsen, BEc (Non-Executive Director)

Mr Cornelsen was appointed director on 20 June 2007 and resigned 16 September 2011.

R Kestel (Non-Executive Director)

Mr Kestel was appointed director on 15 June 2006 and resigned on 13 October 2010.

Company Secretary

R Marusco B.Bus, CPA

Mr Marusco was appointed company secretary on 13 May 2010. He acts as a company secretary for a range of ASX listed companies in the resources and general business sectors.

DIRECTORS' REPORT (continued)

Interest in the Shares and Options of the Company

As at the date of this report, the interests of the directors in the shares and options of the Company were:

	Number of Ordinary Shares	
A Crimmins	(appointed 12 May 2010)	1,788,083
R Pritchard	(appointed 23 August 2010)	2,114,243
A Wild	(appointed 16 September 2011)	-

Share Options

Unissued shares

As at the date of this report, there were no unissued ordinary shares under options (Nil at the reporting date).

Shares issued as a result of the exercise of options

The Company did not have any options on issue during the financial year so no options were exercised.

Dividends

No dividends were paid or recommended during the year.

Principal Activities

The Company's principal activity in the course of the financial period was to identify business opportunities that will assist in adding shareholder value.

Review of Operations

The activity of the company has been to seek prospective business opportunities for acquisition or Joint Venture to increase the intrinsic value of the company for shareholders.

This year has been an active year starting with a review of acquiring 100% of ARK Mines Limited on the 18th August 2010. This company had possible exploration gold, copper iron and zinc targets in the Lachlan Fold Belt of NSW. It included an option agreement to farm into Vincent Resources Pty Ltd two substantial Iron Ore and base metal prospectus in Central and Eastern Australia. Both deals were terminated due to time constraints on completing the acquisition.

On the 17th January 2011 the board announced a possible deal to acquire Yilgarn Infrastructure Limited which had an agreement to acquire a Queensland exploration project for prospective coal. This was terminated on the 17th February 2011 as Due Diligence showed that the takeover would have a negative effect on the value of the company.

The 4th of March 2011 the company was pleased to announce that it had signed a deal with Uranium Ventures Pty Ltd to acquire 21 exploration tenements in NT and Queensland covering over 20,000 square kilometres subject to Due Diligence.

The Company continues to review investment opportunities.

Operating Results for the Year

The loss for the year was \$364,714 (2010: loss of \$825,527).

Financial Position

In the past year the Company has continued to explore the opportunities for new projects and for the year ended 30 June 2011 net liabilities decreased by \$91,748 (2010: \$825,527 decrease).

The movement was largely the result of proceeds from capital raisings and payment of trade payables.

Significant Changes in the State of Affairs

In November 2009 following the holding of the Annual General Meeting the Company was suspended from the ASX Official List to facilitate the consolidation of the Capital of the Company. 258,977,396 Fully Paid Ordinary Shares were consolidated on a one (1) for ten (10) basis.

DIRECTORS' REPORT (continued)

Significant Events after Balance Date

On 16 August 2011, the Company announced that it had reached agreement with the owners of Spinifex Uranium Pty Limited (Spinifex) and Diamantina Uranium Pty Limited (Diamantina) for the acquisition of several permits covering tenements in Queensland and the Northern Territory that are prospective for uranium.

After carrying out final due diligence, the Company's board of directors has formed the view that these proposed transactions did not satisfy the best long term interests of the Company. As such, it has decided not to proceed with these proposed transactions. This decision is supported by the owners of Spinifex and Diamantina.

Blackcrest Resources is pleased to announce that it has entered into an agreement with Bligh Mining Pty Limited to acquire 100% of the shares of Bligh Mining. Under the Proposed Transaction, subject to satisfaction of certain conditions precedent (see below) to completion:

- Bligh Mining will be granted the issue of one Blackcrest Share in exchange for each share in Bligh Mining;
- Bligh Mining will be granted the issue of one Blackcrest Option in exchange for each Bligh Mining Option;
- The board of Blackcrest will be constituted by a majority of directors nominated by Bligh Mining; and
- The name of Blackcrest will be changed to Bligh Mining Limited (or equivalent subject to ASX and ASIC approval)

Under the agreement, completion of the Proposed Transaction is subject to:

- a) Bligh Mining undertaking a capital raising of not less than \$5,000,000;
- b) The Company undertaking a capital raising of up to \$258,000;
- c) Shareholders of the Company passing all necessary resolutions including approval of a consolidation of the Company's share capital following the capital raising;
- d) Shareholders of the Company approving the Proposed Transaction and the issue of fully paid ordinary shares and options in the Company as consideration for the Company's acquisition of Bligh Mining;
- e) Shareholders of Bligh Mining approving the Proposed Transaction;
- f) Definitive transaction documents being executed including a Share Sale and Subscription Agreement and other ancillary agreements; and
- g) Satisfaction of certain other conditions precedent including:
 - i. Governmental and regulatory approvals, as required; and
 - ii. Each party having completed due diligence review.

Blackcrest will convene an extraordinary general meeting of shareholders to consider the relevant shareholder resolutions.

Further details of the above mentioned transaction documents, tenements and business activities will be set out in the notice of meeting and explanatory statement.

Blackcrest will dispatch the notice of meeting and explanatory memorandum in due course.

The Company issued 311,153 fully paid ordinary shares at a deemed issue price of \$0.03 in settlement of past outstanding Director fees on 7 March 2012.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely Developments and Future Results

The Directors will continue to review and identify business opportunities that will assist in adding shareholder value.

It is not possible to estimate the future results at this stage.

Environmental Regulation and Performance

The Company is not subject to any environmental regulations or licences.

Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' REPORT (continued)

Remuneration Report

This report outlines the remuneration arrangements in place for the directors of the Company.

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

Remuneration Committee

The Company does not have a formal Remuneration Committee. The full Board attends to the matters normally attended to by a Remuneration Committee.

Director Remuneration

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of fees is not linked to the directors' or the Company's performance.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for directors is currently \$210,000.

Further, shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

DIRECTORS' REPORT (continued)

Remuneration of Directors and Named Executives

Table 1: Directors' remuneration for the year ended 30 June:

		Salary & Fees	Primary Benefits		Non Monetary Benefits	Post Employment		Equity Options	Other	Total	% Performance Related
			Cash STI	LTI		Super-annuation	Retirement				
R Kestel**** ^^^	2010	42,329	-	-	-	-	-	-	-	42,329	-
Director	2011	8,486	-	-	-	-	-	-	-	8,486	-
G Cornelsen ^^	2010	30,000	-	-	-	-	-	-	-	30,000	-
Director	2011	30,000	-	-	-	-	-	-	-	30,000	-
A Crimmins*	2010	5,000	-	-	-	-	-	-	-	5,000	-
Director	2011	17,500	-	-	-	-	-	-	-	17,500	-
R Pritchard*****	2010	-	-	-	-	-	-	-	-	-	-
Director	2011	25,625	-	-	-	-	-	-	-	25,625	-
A Broome** ^	2010	12,500	-	-	-	-	-	-	-	12,500	-
Director	2011	-	-	-	-	-	-	-	-	-	-
D Bolling*** ^^	2010	11,250	-	-	-	-	-	-	-	11,250	-
Director	2011	-	-	-	-	-	-	-	-	-	-
Total	2010	101,079	-	-	-	-	-	-	-	101,079	-
	2011	81,611	-	-	-	-	-	-	-	81,611	-

* Appointed 12 May 2010 ** Appointed 29 November 2009 and ^ Resigned 13 May 2010 ***Appointed 14 May 2008 and ^^Resigned 24 November 2009 ***** Appointed 15 June 2006 ^^^ Resigned 13 October 2010 ^^ Resigned 16 September 2011 *****Appointed 23 August 2010.

Remuneration of directors and named executives

Table 2: Executive Directors' and named executives remuneration for the year ended 30 June:

		Salary & Fees	Primary Benefits		Non Monetary Benefits	Post Employment		Equity Options	Other	Total	% Performance Related
			Cash STI	LTI		Super-annuation	Retirement				
R Cohen**** ^^	2010	82,000	-	-	6,000	7,380	-	-	-	95,380	-
Director	2011	-	-	-	-	-	-	-	-	-	-
Total	2010	82,000	-	-	6,000	7,380	-	-	-	95,380	-
	2011	-	-	-	-	-	-	-	-	-	-
Grand Total	2010	183,079	-	-	6,000	7,380	-	-	-	196,459	-
	2011	81,611	-	-	-	-	-	-	-	81,611	-

****Appointed 24 November 2009 and ^^Resigned 12 February 2010

DIRECTORS' REPORT (continued)

The only Company executive employed was Richard Cohen during the year ended 30 June 2010.

Senior Management and Executives

The Company does not have any senior management or executives, and does not have any employment contracts in place.

Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number of Directors' Meetings attended	Number of Directors' Meetings eligible to attend
Mr R Kestel	2	2
Mr G Cornelsen	7	7
Mr A Crimmins	7	7
Mr R Pritchard	7	7
Mr A Wild	-	-

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Committee Membership

As at the date of this report, the Company has no committees.

The Company is not at a size that justifies having separate committees. However, matters typically dealt with by various committees are dealt with by the Board.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Blackcrest Resources Ltd support the principles of corporate governance. The Company's corporate governance statement is contained after the directors' report on page 10.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration and Non-Audit Services

The directors received the auditor's independence declaration on page 9 from the auditor of the Company.

No non-audit services were provided by the entity's auditor.

This declaration forms part of the directors' report.

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



Tony Crimmins

Director

30 March 2012

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 F +61 2 9233 8521

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Blackcrest Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

C J Hume

C J HUME
Partner

Sydney, NSW
Dated: 30 March 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Blackcrest Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

CORPORATE GOVERNANCE DISCLOSURES

The Board and management are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, the Company departs from the Guidelines in three (3) key areas:

- The Company does not have a separate Nomination Committee. This is a departure from Recommendation 2.4.
- The Company currently does not have a separate Audit Committee. This is a departure from Recommendation 4.1.
- The Company does not have a separate Remuneration Committee. This is a departure from Recommendation 8.1.

Also the Company does not have a Managing Director/Chief Executive Officer and/or Chief Financial Officer but all assurances as to the integrity of the Financial Accounts are provided by the externally appointed Chairman and Senior Accountant.

ROLE OF THE BOARD

The key responsibilities of the Board include:

- Appointing, evaluating, rewarding and if necessary the removal of senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the company has adopted, and that the Company's practice is consistent with, a number of guidelines, being:
 - Directors and Executive Officers Code of Conduct;
 - Dealings in Securities; and
 - Reporting and Dealing with Unethical Practices.
- Reporting to and advising shareholders.

Trading Policy

The Company has developed a policy regarding directors and employees trading in its securities. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

CORPORATE GOVERNANCE STATEMENT (continued)

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

STRUCTURE OF THE BOARD

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings are a material amount of the adviser's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;
- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

Name	Position
A Wild	Non-Executive Director
A Crimmins	Non-Executive Director
R Pritchard	Non-Executive Director

There are procedures in place, agreed by the Board, to enable the Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director is as follows:

Name	Term
A Wild	Appointed 16 September 2011
A Crimmins	Appointed 12 May 2010
R Pritchard	Appointed 23 August 2010

CORPORATE GOVERNANCE STATEMENT (continued)

When a Board vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the Remuneration and Nomination Committee will recommend to the Board a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Remuneration and Nomination Committee

The Board has not established a formal Remuneration or Nomination Committee. The full Board attends to the matters normally attended to by a Remuneration or Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives.

For full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.

Audit and Risk Management Committee

The Board has not established an Audit and Risk Management Committee. The full Board attends to the matters normally attended to by such a Committee.

The Board acknowledges that when the size and nature of the Company warrants an Audit and Risk Management Committee that the Committee will operate under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators.

The Board will delegate responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee.

The Company's Policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Audit and Risk Management Committee. The auditors have a policy of rotating the audit partner at least every 5 years.

RISK MANAGEMENT

The Board recognises that the identification and management of risk, including calculated risk taking, is an essential part of creating long term shareholder value. The identification and management of risk by the Board will continue to be monitored. However, until such time as a business or project is acquired by the Company, specific risks related to that business or project are currently unknown.

The Company will undertake a comprehensive due diligence process, in consultation with its external legal and other advisors prior to making any acquisitions. The preparation of a comprehensive risk management matrix will be prepared once a suitable acquisition has been identified.

The equivalent of the CEO and CFO provide written assurance to the Board on an annual basis that to the best of their knowledge and belief, the declaration provided by them in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The assurances from the equivalent of the CEO and CFO can only be reasonable rather than absolute due to factors such as the need for judgement and possible weaknesses in control procedures.

Any material changes in the Company's circumstances are released to the ASX and included on the Company's website.

BEST PRACTICE RECOMMENDATION

Outlined below are the 8 Essential Corporate Governance Principles as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Policy	Comment
<p>Principle 1 Lay solid foundation for management and oversight</p>	Adopted
<p>1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.</p>	<p>The Company's Corporate Governance Policies includes a Board Charter, which discloses the specific responsibilities of the Board.</p>
<p>1.2 Disclose the process for evaluating the performance of senior executives.</p>	<p>The Board monitors the performance of senior management including measuring actual performance against planned performance.</p>
<p>1.3 Provide the information indicated in 'Guide to reporting on Principle 1'.</p>	<p>The Company will provide details of any departures from best practice recommendation Principle 1 in its Annual Report.</p>
<p>Principle 2 Structure the board to add value</p>	Adopted except for Recommendation 2.4
<p>2.1 A majority of the Board should be independent.</p>	<p>The Company is in compliance with this recommendation as all of the Directors are defined as being independent.</p>
<p>2.2 The chairperson should be an independent director.</p>	<p>The Company is in compliance with this recommendation as the Chairperson is an independent Director.</p>
<p>2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.</p>	<p>The Company is in compliance with this recommendation.</p>
<p>2.4 The board should establish a nomination committee.</p>	<p><i>No formal nomination committee or procedures have been adopted as yet given the size of the Company and the Board. The Board, as a whole, will serve as a nomination committee whilst the Company remains suspended.</i></p>
<p>2.5 Disclose the process for evaluating the performance of the board, its committees and the individual directors.</p>	<p><i>Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership.</i></p> <p>The Board will conduct an annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate.</p>
<p>2.6 Provide the information indicated in 'Guide to reporting on Principle 2'.</p>	<p>The Company will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports.</p>

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Policy	Comment
<p>Principle 3 Actively promote ethical and responsible decision-making</p>	<p>Adopted</p>
<p>3.1 Establish a code of conduct and disclose the code or a summary of the code as to:</p> <p>3.1.1 the practices necessary to maintain confidence in the Company's integrity</p> <p>3.1.2 the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders</p> <p>3.1.3 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices.</p> <p>3.2 Establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.</p> <p>3.3 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements which enable the Company to establish measurable objectives for achieving gender diversity so the Board can assess annually the objectives and the progress in achieving them.</p> <p>3.4 Provide the information indicated in 'Guide to Reporting on Principle 3'.</p>	<p>The Company's Corporate Governance Policies include a Directors and Executive officers' Code of Conduct Policy, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p> <p>The Company's Corporate Governance Policies includes Dealing in Securities which provides comprehensive guidelines on trading in the Company's securities.</p> <p>The Company has adopted a Diversity Policy.</p> <p>The Company will provide details of any departures from best practice recommendation Principle 3 in its Annual Report</p>
<p>Principle 4 Safeguard integrity in financial reporting</p>	<p>Adopted except for Recommendation 4.1</p>
<p>4.1 The Board should establish an audit committee.</p> <p>4.2 Structure the audit committee so that it consists of:</p> <ul style="list-style-type: none"> ▪ Only non-executive directors ▪ A majority of independent directors ▪ An independent chairperson who is not the chairperson of the Board ▪ At least three members. <p>4.3 The audit committee should have a formal operating charter.</p> <p>4.4 Provide the information indicated in the 'Guide to reporting on Principle 4'.</p>	<p><i>The Board considers that it is not of sufficient size at this stage to require a separate audit committee. Until the audit committee has been established, its functions, roles and responsibilities will be undertaken by the Board.</i></p> <p>The composition, roles and responsibilities of the audit committee when it is established will be set out in the Corporate Governance Plan.</p> <p>The Audit and Risk Committee will adopt a formal Charter when established.</p> <p>The Company will provide details of any departures from best practice recommendation Principle 4 in its Annual Report.</p>
<p>Principle 5 Promote timely and balanced disclosure</p>	<p>Adopted</p>
<p>5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.</p>	<p>The Company has a Continuous Disclosure program in place which is designed to ensure compliance with the ASX Listing Rules requirements on disclosure and to ensure accountability at a board level for compliance and factual presentation of the Company's financial position.</p>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

Corporate Governance Policy	Comment
5.2 Provide the information indicated in the 'Guide to reporting on Principle 5'.	The Company will provide details of any departures from best practice recommendation Principle 5 in its Annual Report.
<p>Principle 6 Respect the rights of shareholders</p>	Adopted
6.1 Design and disclose a communications policy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of the policy	The Company's Corporate Governance Policies includes a Shareholder Communications Policy which aims to ensure that the shareholders are informed of all material developments affecting the Company's state of affairs.
6.2 Provide the information indicated in the 'Guide to reporting on Principle 6'.	The Company will provide details of any departures from best practice recommendation Principle 6 in its Annual Report.
<p>Principle 7 Recognise and manage risk</p>	Adopted
7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.	The Company's Corporate Governance Policies includes a Risk Management Policy which aims to ensure that all material business risks are identified and mitigated.
7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board determines and identifies the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal controls.
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.	The Board has designed and implemented continuous risk management and internal control systems. Reports as requested are provided at relevant times.
7.4 Provide the information indicated in the 'Guide to reporting on Principle 7'.	The Company will provide details of any departures from best practice recommendation Principle 7 in its Annual Report.
<p>Principle 8 Remunerate fairly and responsibly</p>	Adopted except for Recommendation 8.1
8.1 The Board should establish a remuneration committee	<i>The Company's remuneration committee comprises the Board acting without the affected director participating in the decision making process</i>
8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executives	The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting.
	The Board is responsible for determining the remuneration of the Managing Director and senior

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

Corporate Governance Policy	Comment
8.3 Provide the information indicated in the 'Guide to reporting on Principle 8'.	executives (without the participation of the affected director). The Company will provide details of any departures from best practice recommendation Principle 8 in its Annual Report.

Further information on the Corporate Governance Policies that have been adopted by the Company can be referenced at the Company's website: www.blackcrestresources.com.au

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Continuing Operations			
Revenue	2(a)	3,053	7,904
Other expenses	2(b)	(367,767)	(833,431)
Loss before tax		(364,714)	(825,527)
Income tax expense	3	-	-
Loss from continuing operations		(364,714)	(825,527)
Loss for the year		(364,714)	(825,527)
Other comprehensive income		-	-
Total comprehensive income for the year		(364,714)	(825,527)
Loss for the year attributable to:			
Members		(364,714)	(825,527)
Non-controlling interest		-	-
		(364,714)	(825,527)
Total comprehensive income for the year attributable to:			
Members		(364,714)	(825,527)
Non-controlling interest		-	-
		(364,714)	(825,527)
Earnings per share	5		
From continuing operations			
Basic earnings per share (cents)		(1.16)	(0.60)
Diluted earnings per share (cents)		(1.16)	(0.60)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	143,231	57,885
Trade and other receivables	7	5,199	12,781
Other current assets	8	8,155	8,155
Total Current Assets		156,585	78,821
TOTAL ASSETS		156,585	78,821
LIABILITIES			
Current Liabilities			
Trade and other payables	10	184,289	198,273
Total Current Liabilities		184,289	198,273
TOTAL LIABILITIES		184,289	198,273
NET LIABILITIES		(27,704)	(119,452)
EQUITY			
Issued capital	11(a)	13,961,745	13,505,283
Reserves	11(b)	922,217	922,217
Retained losses		(14,911,666)	(14,546,952)
		(27,704)	(119,452)
Equity attributable to members		(27,704)	(119,452)
Non-controlling interest		-	-
TOTAL EQUITY		(27,704)	(119,452)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Issued capital \$	Option reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2009		13,505,283	922,217	(13,721,425)	706,075
Loss attributable to members		-	-	(825,527)	(825,527)
Total comprehensive income for the year		-	-	(825,527)	(825,527)
At 30 June 2010		13,505,283	922,217	(14,546,952)	(119,452)
Balance at 1 July 2010		13,505,283	922,217	(14,546,952)	(119,452)
Shares issues (net of costs)		456,462	-	-	456,462
Loss attributable to members		-	-	(364,714)	(364,714)
Total comprehensive income for the year		-	-	(364,714)	(364,714)
At 30 June 2011		13,961,745	922,217	(14,911,666)	(27,704)

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

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest income		3,053	9,668
Payments to suppliers		(374,168)	(519,848)
Net cash flows used in operating activities	6	(371,115)	(510,180)
Cash flows from investing activities			
Loans to other entities		-	(160,351)
Net cash flows used in investing activities		-	(160,351)
Cash flows from financing activities			
Proceeds from issues of shares		456,461	-
Net cash flows from financing activities		456,451	-
Net increase/(decrease) in cash and cash equivalents		85,346	(670,531)
Cash and cash equivalents at beginning of period		57,885	728,416
Cash and cash equivalents at end of period	6	143,231	57,885

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

This financial report includes the financial statements and notes of Blackcrest Resources Limited ("Company"). The Company is limited by shares, incorporated and domiciled in Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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

(b) Going Concern

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

As disclosed in the financial statements, the Company incurred a loss of \$364,714 and had net cash outflows from operating activities of \$371,115 for the year ended 30 June 2011. As at that date the Company's current and total liabilities exceeded its total assets by \$27,704. The ability of the company to continue as a going concern is dependent on a combination of a number of factors, the most significant of which is the ability of the Company to raise additional funds in the following 12 months.

These factors indicate significant uncertainty as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- a) The Company has the ability to continue to raise additional funds on a timely basis, pursuant to the *Corporations Act 2001*, as evidenced by the following:
 - The Company raised \$67,982 from a Share Placement in August 2010 through the issue of 3,884,659 fully paid Ordinary Shares at an issue price of \$0.0175 per Share;
 - The Company issued 4,258,331 ordinary shares in December 2010 at a deemed issue price of \$0.03 per share following conversion of Convertible Loans. The funds from the Converting Loans were used for working capital purposes;
 - The Company issued a further 8,690,998 fully paid ordinary shares in June 2011 at a deemed issue price of \$0.03 representing the conversion of remaining portion of Convertible Loans and eradicating creditor debt and eradicating Director and Consulting Fees from May 2010 to January 2011; and
 - In March 2012 the Company issued 311,153 fully paid ordinary shares at \$0.03 per share raising \$9,335 in support of eradicating creditor debt.
- b) The Directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the Company to meet its business objectives.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

(c) Income Tax

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

i. *Loans and receivables*

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

ii. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(e) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income unless the asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of comprehensive income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rate basis.

Calculation of recoverable amount

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset is greater than its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. The decrement in the carrying amount is recognised as an expense in the reporting period in which the impairment loss occurs.

(f) Intangibles

Database

An intangible asset exists comprising costs capitalised to create a client contact database for the Company to source future work. The database was originally purchased from the Knights Insolvency Partnerships. Future costs incurred in maintaining the database will be expensed as incurred. The balance is reviewed annually by the Directors' and any balance representing future benefits for which realisation is considered to be no longer probable will be written off.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Revenue and other income

Revenues are stated net of the amount of goods and services tax (GST) payable to the taxation authority.

Revenue from the provision of services is recognised when the services have been provided to the customer.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive GST.

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

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(m) Earnings per share

Basic earnings per share is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interests associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(n) Critical accounting estimates and judgements

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

Key Estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No (2010: \$0) impairment has been recognised in respect of intangible assets for the year ended 30 June 2011.

No (2010: \$160,351) impairment has been recognised in respect of loan receivables for the year ended 30 June 2011.

(o) New Accounting Standards for Application in Future Periods

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

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

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

The key changes made to accounting requirements include:

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

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

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

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

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

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

- for-profit private sector entities that have public accountability; and

The AASB has issued new and amended accounting standards and interpretations that have mandatory application-dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

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

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

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

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

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

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

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

This Standard is not expected to impact the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

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

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

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

This Standard is not expected to impact the Company.

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

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

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

The financial report was authorised for issue on 30 March 2012 by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
2. REVENUE AND EXPENSES		
(a) Revenue from continuing operations		
Finance revenue – Bank interest	3,053	7,904
	3,053	7,904
(b) Other expenses		
Auditors remuneration	26,000	25,350
Directors' fees	81,611	101,079
Bad debts	-	160,351
Due diligence costs	-	68,036
Employee benefits	-	95,380
Other administration expenses	260,156	383,235
	367,767	833,431

	2011 \$	2010 \$
3. INCOME TAX EXPENSE		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie benefit on loss from ordinary activities (30%)	(109,414)	(247,658)
Add tax effect of non-allowable items	-	-
	(109,414)	(247,658)
Deferred Tax Asset (DTA) on temporary differences and tax losses not brought to account	109,414	247,658
Income tax expense for the year	-	-

Deferred tax assets not brought to account at balance date

Tax losses not brought to account	109,414	247,658
Other temporary differences:		
Business capital costs	40,224	40,224
Bad debts	-	(48,105)
Due diligence costs	-	(20,412)
Sundry differences	-	1,752
	149,638	221,117

The DTA not brought to account will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) the company is able to meet the continuity of business tests and or continuity of ownership.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

4. DIVIDENDS PAID AND PROPOSED

No dividends were paid or recommended during the year.

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Share options with an exercise price above the average market price during the period have been excluded from the calculation of the diluted EPS. Diluted earnings per share are not reflected as the result is anti-dilutive in nature.

	2011 \$	2010 \$
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Net loss attributable to ordinary equity holders	(364,714)	(825,527)

	2011 \$	2010 \$
Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share	31,307,632	137,648,260
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	31,307,632	137,648,260

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	2011 \$	2010 \$
6. CASH AND CASH EQUIVALENTS		
Cash at bank and cash in hand	143,231	57,885
	143,231	57,885

Cash at bank earns interest at floating rates based on daily bank deposit rates. The entity has no credit standby arrangements, loan or overdraft facilities for the year's ended 30 June 2010 and 30 June 2011.

The fair value of cash and cash equivalents is \$143,231 (2010 \$57,885).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

CASH AND CASH EQUIVALENTS (continued)

	2011 \$	2010 \$
Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax	(364,714)	(825,527)
Add/(less) non-cash flows in loss from ordinary activities:		
(Increase)/decrease in prepayments	-	(423)
(Increase)/decrease in receivables	7,583	(7,439)
Increase/(decrease) in payables	(13,984)	162,858
Increase in provisions	-	160,351
Cash flows from operations	(371,115)	(510,180)

7. TRADE & OTHER RECEIVABLES

Current

Other receivables (i)	5,199	12,781
	5,199	12,781

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

8. OTHER CURRENT ASSETS

Current

Prepayments	8,155	8,155
	8,155	8,155

9. INTANGIBLE ASSETS

Client Database at cost (refer note 1(f))	485,025	485,025
Client Database accumulated amortisation and impairment	(485,025)	(485,025)
Internet Site at cost	35,220	35,220
Accumulated amortisation and impairment	(35,220)	(35,220)
	-	-

10. TRADE & OTHER PAYABLES

Current

Unsecured Liabilities

Trade payables (i)	184,289	170,624
Other payables	-	27,649
	184,289	198,273

(i) Trade payables are non-interest bearing and are normally settled on 60 day terms.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
11. ISSUED CAPITAL AND RESERVES		
(a) Issued capital		
Ordinary shares (i)	13,961,745	13,505,283
<i>(i) Ordinary shares</i>		
Issued and fully paid	14,195,227	13,738,765
Less: equity raising costs	(233,482)	(233,482)
	13,961,745	13,505,283

Fully paid ordinary shares have the right to receive dividends as declared and entitle their holder to vote either in person or by proxy at a meeting of the Company.

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value. Accordingly the Company does not have authorised capital or par value in respect of its shares.

	Number	\$
<i>Movement in ordinary shares on issue</i>		
At 1 July 2010	25,897,740	13,505,283
Shares issued -12 August 2010	3,884,659	67,982
Shares issued – 23 December 2010	4,258,331	127,750
Shares issued – 14 June 2011	8,690,998	260,730
At 30 June 2011	42,731,728	13,961,745
	2011 \$	2010 \$
(b) Option Reserve		
Option reserve	922,217	922,217
	922,217	922,217

(c) Nature and purpose of reserves

The options reserve records items recognised as expenses on valuation of employee and director share options.

(d) Capital management

Management controls the capital of the economic entity in order to provide the shareholders with adequate returns and ensure that the economic entity can fund its operations and continue as a going concern.

The Company debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company capital by assessing the Company financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

12. OPERATING SEGMENTS

The company operated in one geographical segment, being Australia, during the year ended 30 June 2011. The company only operates in one segment, being to identify business opportunities that will assist in adding shareholder value.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise of cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and short-term deposits. Since the Company does not have any long-term debt obligations, the Company's exposure to this risk is nominal.

Credit risk

The Company's policy is to trade only with recognised, creditworthy third parties.

It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Company.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and capital raising.

14. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements.

The fair values of financial assets have been calculated using market interest rates.

	<i>Carrying amount</i>		<i>Fair value</i>	
	2011	2010	2011	2010
	\$	\$	\$	\$
<i>Financial assets</i>				
Cash	143,231	57,885	143,231	57,885
Trade and other receivables	5,199	12,781	5,199	12,781
<i>Financial liabilities on statement of financial position</i>				
Trade and other payables	184,289	198,273	184,289	198,273

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

14. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments:

Year ended 30/6/2011	<1 year \$	>1-<2 years \$	>2-<3 years \$	>3-<4 years \$	>4-<5 years \$	>5 years \$	Total \$	Weighted average effective interest rate %
FINANCIAL ASSETS								
<i>Floating rate</i>								
Cash assets	143,231	-	-	-	-	-	143,231	0.10%
Weighted average effective interest rate	0.10%	-	-	-	-	-		
<i>Fixed rate</i>								
Trade & other receivables	5,199	-	-	-	-	-	5,199	0.00%
Weighted average effective interest rate	0.00%	-	-	-	-	-	0.00%	
FINANCIAL LIABILITIES								
<i>Fixed rate</i>								
Trade & other payables	184,289	-	-	-	-	-	184,289	0.00%
Weighted average effective interest rate	0.00%	-	-	-	-	-		
Year ended 30/6/2010								
	<1 year \$	>1-<2 years \$	>2-<3 years \$	>3-<4 years \$	>4-<5 years \$	>5 years \$	Total \$	Weighted average effective interest rate %
FINANCIAL ASSETS								
<i>Floating rate</i>								
Cash assets	57,885	-	-	-	-	-	57,885	0.10%
Weighted average effective interest rate	0.10%	-	-	-	-	-		
<i>Fixed rate</i>								
Trade & other receivables	12,781	-	-	-	-	-	12,781	0.00%
Weighted average effective interest rate	0.00%	-	-	-	-	-	0.00%	
FINANCIAL LIABILITIES								
<i>Fixed rate</i>								
Trade & other payables	198,273	-	-	-	-	-	198,273	0.00%
Weighted average effective interest rate	0.00%	-	-	-	-	-		

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

15. RELATED PARTY DISCLOSURE

Other transactions with the Company or its controlled entities

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to Non-Director related entities on an arms length basis.

The aggregate amount recognised during the year to Specified Directors and Specified Executives and their related entities were as follows:

Mr R Kestel

Fees for accounting services of \$25,983 (2010: \$37,154) and corporate secretarial fees of \$53,095 (2010: \$56,493) were paid to Mr Kestel's related company, Nissen Kestel Harford, during the year. Amounts outstanding at the year end were \$51,071 (2010: \$51,085). Mr Kestel owns 8% of Nissen Kestel Harford. He is no longer a Partner or Director in Nissen Kestel Harford but remains a Shareholder.

Mr G Cornelsen

Amounts outstanding at the year end for directors fees were \$22,650 (2010: \$16,250).

Mr A Crimmins

Amounts outstanding at the year end for directors fees were \$25,493 (2010: \$5,250).

Mr R Pritchard

Amounts outstanding at the year end for directors fees were \$13,750 (2010: \$5,250).

During the financial year fees payable to directors totalling \$127,750 were settled by a converting loan. Under the terms of the converting loan ordinary shares in the company have been issued to directors in settlement.

16. EVENTS AFTER THE BALANCE DATE

On 16 August 2011, the Company announced that it had reached agreement with the owners of Spinifex Uranium Pty Limited (Spinifex) and Diamantina Uranium Pty Limited (Diamantina) for the acquisition of several permits covering tenements in Queensland and the Northern Territory that are prospective for uranium.

After carrying out final due diligence, the Company's board of directors has formed the view that these proposed transactions did not satisfy the best long term interests of the Company. As such, it has decided not to proceed with these proposed transactions. This decision is supported by the owners of Spinifex and Diamantina.

Blackcrest Resources is pleased to announce that it has entered into an agreement with Bligh Mining Pty Limited to acquire 100% of the shares of Bligh Mining. Under the Proposed Transaction, subject to satisfaction of certain conditions precedent (see below) to completion:

- Bligh Mining will be granted the issue of one Blackcrest Share in exchange for each share in Bligh Mining;
- Bligh Mining will be granted the issue of one Blackcrest Option in exchange for each Bligh Mining Option;
- The board of Blackcrest will be constituted by a majority of directors nominated by Bligh Mining; and
- The name of Blackcrest will be changed to Bligh Mining Limited (or equivalent subject to ASX and ASIC approval)

Under the agreement, completion of the Proposed Transaction is subject to:

- a) Bligh Mining undertaking a capital raising of not less than \$5,000,000;
- b) The Company undertaking a capital raising of up to \$258,000;
- c) Shareholders of the Company passing all necessary resolutions including approval of a consolidation of the Company's share capital following the capital raising;
- d) Shareholders of the Company approving the Proposed Transaction and the issue of fully paid ordinary shares and options in the Company as consideration for the Company's acquisition of Bligh Mining;
- e) Shareholders of Bligh Mining approving the Proposed Transaction;
- f) Definitive transaction documents being executed including a Share Sale and Subscription Agreement and other ancillary agreements; and
- g) Satisfaction of certain other conditions precedent including:
 - i. Governmental and regulatory approvals, as required; and
 - ii. Each party having completed due diligence review.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

16. EVENTS AFTER THE BALANCE DATE (continued)

Blackcrest will convene an extraordinary general meeting of shareholders to consider the relevant shareholder resolutions.

Further details of the above mentioned transaction documents, tenements and business activities will be set out in the notice of meeting and explanatory statement.

Blackcrest will dispatch the notice of meeting and explanatory memorandum in due course.

Mr Greg Cornelsen resigned as a Non Executive Director on 16 September 2011 and Mr Andrew Wild was subsequently appointed a Non Executive Director on the same date.

In March 2012, 311,153 shares were issued at \$0.03 per share in support of eradicating creditor debt.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

	2011 \$	2010 \$
17. AUDITORS' REMUNERATION		
The auditor of Blackcrest Resources Ltd is RSM Bird Cameron Partners.		
<i>Amounts received or due and receivable by RSM Bird Cameron Partners for:</i>		
▪ An audit or review of the financial report of the entity	26,000	25,350
	<u>26,000</u>	<u>25,350</u>

18. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the year, the company considers that it has only operated in one segment, being to identify business opportunities that will assist in adding shareholder value in Australia.

19. COMMITMENTS AND CONTINGENCIES

There are no capital or lease commitments and no contingent assets or liabilities since the last annual reporting date.

20. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

(i) Directors

G Cornelsen	(Non Executive Director)	Appointed 20 June 2007, resigned 16 September 2011
A Crimmins	(Non Executive Director)	Appointed 12 May 2010
R Pritchard	(Non Executive Director)	Appointed 23 August 2010
A Wild	(Non Executive Director)	Appointed 16 September 2011
R Kestel	(Non Executive Director)	Appointed 15 June 2006, resigned 13 October 2010

(ii) Company Executives

The Company did not employ any executives during the year ended 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

20. KEY MANAGEMENT PERSONNEL (continued)

Remuneration of Directors and Named Executives

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

The total remuneration paid to KMP of the Company during the year is as follows:

	2011 \$	2010 \$
Short-term employee benefits	81,611	189,079
Post-employment benefits	-	7,380
	81,611	196,459

(b) Compensation of directors

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

Remuneration Committee

The Company does not have a formal Remuneration Committees. The full Board attends to the matters normally attended to by a Remuneration Committee.

Director Remuneration

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of fees is not linked to directors' performance. Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for directors is currently \$210,000.

Further, Shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

Senior Management and Executives

The Company does not have any senior management or executives, and does not have any employment contracts in place.

(c) Shareholdings of directors

Shares held in the Company (number)

	Balance at beginning of period 01-Jul-10	Net change Other	Balance at date of resignation	Balance at 30-Jun-11
30 June 2011				
R Kestel*****^^^	-	-	-	-
G Cornelsen^	100,000	195,000	-	295,000
A Crimmins*	480,000	1,308,083	-	1,788,083
R Pritchard	-	2,114,243	-	2,114,243
A Broome** ^	-	-	-	-
D Bolling*** ^^	-	-	-	-
R Cohen **** ^^	-	-	-	-
Total	580,000	3,617,326	-	4,197,326

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

20. KEY MANAGEMENT PERSONNEL (continued)

30 June 2010	Balance at beginning of period 01-Jul-09	Net change Other	Balance at date of resignation	Balance at 30-Jun-10
R Kestel*****^^^	-	-	-	-
G Cornelsen	1,000,000	(900,000)	-	100,000
A Crimmins*	-	480,000	-	480,000
A Broome ** ^	-	-	-	-
D Bolling*** ^^	-	-	-	-
R Cohen **** ^^	-	-	-	-
Total	1,000,000	(420,000)	-	580,000

* Appointed 12 May 2010 ** Appointed 29 November 2009 and ^ Resigned 13 May 2010 *** Appointed 14 May 2008 and Resigned 24 November 2009 ****Appointed 24 November 2009 and ^^ Resigned 12 February 2010 ***** Appointed 15 June 2006 ^^ Resigned 13 October 2010 and ^ Resigned 16 September 2011.

(d) Option holdings of directors

30 June 2011	Balance at beginning of period 01-Jul-10	Exercised options	Granted as remuneration	Net change Other	Balance at 30-Jun-11
R Kestel***** ^^	-	-	-	-	-
G Cornelsen	-	-	-	-	-
A Crimmins*	-	-	-	-	-
A Broome ** ^	-	-	-	-	-
D Bolling*** ^^	-	-	-	-	-
R Cohen **** ^^	-	-	-	-	-
Total	-	-	-	-	-

Options held in the Company (number)

30 June 2010	Balance at beginning of period 01-Jul-09	Exercised options	Granted as remuneration	Net change Other	Balance at 30-Jun-10
R Kestel***** ^^	-	-	-	-	-
G Cornelsen	-	-	-	-	-
A Crimmins*	-	-	-	-	-
A Broome ** ^	-	-	-	-	-
D Bolling*** ^^	-	-	-	-	-
R Cohen **** ^^	-	-	-	-	-
Total	-	-	-	-	-

* Appointed 12 May 2010 ** Appointed 29 November 2009 and ^ Resigned 13 May 2010 *** Appointed 14 May 2008 and ^^ Resigned 24 November 2009 ****Appointed 24 November 2009 and ^^ Resigned 12 February 2010 ***** Appointed 15 June 2006 and ^^ Resigned 13 October 2010.

(e) Other transactions with directors

Other transactions with the Company or its controlled entities

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arms length basis.

The aggregate amount recognised during the year to Specified Directors and Specified Executives and their related entities were as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2011

Mr R Kestel

Fees for accounting services of \$25,983 (2010: \$37,154) and corporate secretarial fees of \$53,095 (2010: \$56,493) were paid to Mr Kestel's related company, Nissen Kestel Harford, during the year. Amounts outstanding at the year end were \$51,071 (2010: \$51,085). Mr Kestel owns 8% of Nissen Kestel Harford. He is no longer a Partner or Director in Nissen Kestel Harford but remains a Shareholder.

Mr G Cornelsen

Amounts outstanding at the year end for directors fees were \$22,650 (2010: \$16,250).

Mr A Crimmins

Amounts outstanding at the year end for directors fees were \$25,493 (2010: \$5,250).

Mr R Pritchard

Amounts outstanding at the year end for directors fees were \$13,750 (2010: \$5,250).

During the financial year fees payable to directors totalling \$127,750 were settled by a converting loan. Under the terms of the converting loan ordinary shares in the company was issued to directors in settlement.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 17 to 37, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view; and
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Tony Crimmins
Director

30 March 2012

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BLACKCREST RESOURCES LIMITED**

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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 Blackcrest Resources 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 Blackcrest Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$364,714 and had net cash outflows from operating activities of \$371,115 during the year ended 30 June 2011 and, as of that date, the company's current and total liabilities exceeded its total assets by \$27,704. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Blackcrest Resources Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.



RSM BIRD CAMERON PARTNERS

Chartered Accountants



C J HUME

Partner

Sydney, NSW

Dated: 30 March 2012

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is as follows. The information is complete up to 19 March 2012.

(a) DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

- 43,042,959 fully paid shares held by 1,057 shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, in each class are:

	Fully Paid Ordinary Shares
1 – 1,000	123,849
1,001 – 5,000	279,291
5,001 – 10,000	1,191,578
10,001 – 100,000	7,423,204
100,001 and over	34,025,037
	<u>43,042,959</u>

There were 887 holders of less than a marketable parcel and they hold 3,379,514 ordinary shares.

(b) Substantial Shareholders (fully paid shares)

	Fully Paid Number	Percentage %
Kings Park Superannuation Fund <Kings Park Super Fund A/C>	2,666,666	6.20
	<u>2,666,666</u>	<u>6.20</u>

(c) Twenty largest holders of quoted equity securities (fully paid shares)

	Fully Paid Number	Percentage %
Kings Park Superannuation Fund <Kings Park Super Fund A/C>	2,666,666	6.20
Suburban Holdings Pty Ltd <The Suburban Super Fund A/C>	1,590,500	3.70
Mr Richard Wyn Pritchard	1,542,815	3.58
Mr Michael Desmond Gallagher	1,440,370	3.35
Simon Tritton	1,333,338	3.10
Top Cat Consulting Services Pty Ltd	1,308,083	3.04
NKH PTY LTD <THE NKH A/C>	1,183,333	2.75
Merrill Lynch (Australia) Nominees Pty Limited	974,500	2.26
Nubey Trading Pty Ltd	943,746	2.19
Mr Joseph Charles Camuglia <J C C Investment Account>	750,000	1.74
Armelek Pty Ltd	730,000	1.70
Canemoon Investments Pty Ltd	730,000	1.70
Mr George Sim <Elm Unit A/C>	729,591	1.70
Michael Hermann	666,666	1.55
Mineconnect Pty Ltd	666,666	1.55
W A Halpin Investments Pty Ltd <Halpin Investments Unit A/C>	610,000	1.42
Mr Hao Gia Dang	571,429	1.33
Richard Pritchard + Robert Stock <Midas Super Fund A/C>	571,428	1.33
Mr Gregory Glenn Worth <Worth S/F A/C>	550,000	1.28
Sinbad Pty Ltd <Rock City Unit A/C>	500,000	1.16
	<u>20,059,131</u>	<u>46.63</u>

(d) Voting Rights

All ordinary shares carry one vote per share without restriction.

ASX ADDITIONAL INFORMATION

(e) Restricted Securities

The Company has no restricted securities (Held in escrow) on issue.

(f) Business Objectives

The Company has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.