Meridien Resources Limited

ABN 30 131 758 177

Annual Financial Report

for the year ended 30 June 2012

MERIDIEN RESOURCES LIMITED
ABN 30 131 758 177

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MERIDIEN RESOURCES LIMITED
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CORPORATE DIRECTORY

DIRECTORS

Mr Nathan Taylor (Chairman)
Mr Kevin Shirlaw (Resigned 2/09/2011)
Mr John MacFarlane (Resigned 2/09/2011)
Mr. S. Dhupelia (Appointed 2/09/2011)
Mr Michael Ivkovic (Resigned 27/01/2012)
Mr Trevor Fourie (Appointed 27/01/2012)
Mr David Murray (Appointed 27/01/2012)

COMPANY SECRETARY

Mr Richard Hill (Resigned 2/09/2011)
Mr. P. Hunt (Appointed 2/09/2011)

REGISTERED OFFICE

Level 2
139 Frome Street
ADELAIDE SA 5000
Ph: (08) 7421 1400
Fax: (08) 7421 1499

SOLICITORS

Mills Oakley Lawyers
Level 6
530 Collins Street
MELBOURNE VIC 3000
Ph: (03) 9670 9111
Fax: (03) 9605 0933

SHARE REGISTRY

Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000
Ph: (02) 9290 9600
Fax: (02) 9279 0664

AUDITORS

RSM Bird Cameron Partners
Level 12,60 Castlereagh St
SYDNEY NSW 2000
Ph: (02) 9233 8933
Fax: (02) 9233 8521

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2012.

Board composition:

The Board is comprised of four directors, all of which are Non-Executive Directors.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the directors' report. The names of the directors of the Company in office at the date of this statement are:

Name	**Position**
Mr N. Taylor	Non-Executive Chairman
Mr S. Dhupelia	Non-Executive Director (Appointed 2/09/2011)
Mr T. Fourie	Non-Executive Director (Appointed 27/01/2012)
Mr D .Murray	Non-Executive Director (Appointed 27/01/2012)

When determining whether a non-executive director is independent, the director must not fail any of the following materiality thresholds:

- Less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- No sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- None of the directors' income or the income of an individual or entity directly or indirectly associated with director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Company.

It should be noted that since the resignation of Mr Michael Ivkovic on 27 January 2012, Mr Nathan Taylor and Mr Sunil Dhupelia have been responsible for the management functions of the Company whilst retaining the non-executive characteristics of their role on the Board.

The names of the members of the Board and their attendance at meetings are detailed in the directors' report.

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 judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

No performance evaluations have been conducted on, or by, the directors during the reporting period.

Trading Policy

The Company's policy regarding directors and employees trading in its securities has been set by the board under advice from TressCox Lawyers. 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. A copy of the Company's Trading Policy has been made publicly available on the Company's website

Diversity Policy

The Board recognizes that a diverse and inclusive workforce is not only good for our employees but also good for our business. It helps the Company attract and retain talented people, create more innovative solutions, and be more flexible and responsive to our customers‟ and shareholders‟ needs. Across the Company, there is increasing momentum on diversity with a particular focus on gender and age, as well as greater work and career flexibility.

Please refer to the Company's diversity policy listed on the Company's website before for more information.

Audit Committee

The audit and risk committee comprised of Mr Kevin Shirlaw (Chairperson) and Mr John MacFarlane. On 2 September 2011, both Mr Macfarlane and Mr Shirlaw tendered their resignations as Directors of the Company. The Company has yet to appoint a new committee at the time of this report.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders though delivery of timely and balanced disclosures.

The Board has previously sought external guidance from TressCox Lawyers to assist the drafting of its 'Board Governance Document' which has been made publicly available on the **Company's website**. This document details the adopted practises and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel. The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Meridien Resources Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The Board implements internal controls to identify and manage risks. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing and reassessing key business risks.

Remuneration Policies:

The Company does not presently operate a remuneration committee. The remuneration of all directors is determined by the Board.

All compensation arrangements for directors are determined by the directors after taking into account the current competitive rates prevailing in the market.

Remuneration Policies Continued

The amount of remuneration for all directors including the full remuneration packages, comprising all monetary and non-monetary components, is detailed in the directors' report.

All remuneration to be paid to present or future executives will be valued at the cost to the Company and expensed. Shares issued to executives will be valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Binomial Option Pricing Model.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to manage the economic entity. It will also provide the executives with the necessary incentives to work to grow long-term shareholder value.

The Board can exercise its discretion in relation to approving incentives, bonuses and options. There are no schemes for retirement benefits other than statutory superannuation for non- executive directors.

Remuneration Committee

The Company does not presently operate a remuneration committee. The remuneration of all directors is determined by the Board

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's website at <http://www.meridienresources.com.au/>

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Company for the financial year ending 30 June 2012.

PRINCIPAL ACTIVITIES

Meridien Resources Limited is an emerging gold exploration company that successfully listed on the ASX, on 7 April 2011. Over the past twelve months, the directors have further developed the existing tenements and are confident of the outlook for the region.

The Lachlan Fold Belt in central west New South Wales hosts a number of Australia's most significant operating copper-gold mines and remains highly prospective for copper, gold, base metal and nickel deposits. This has led to the opening of new operations at Northparkes (operated by Rio Tinto Limited), Lake Cowal (operated by Barrick Gold Corporation) and the Cadia Hill gold mine (owned by Newcrest Mining Limited).

During the year, Meridien further progressed the Lucky Draw tailings project and in December 2011 the Company executed a Mining Operation Agreement with Development Resources Pty Ltd to further progress the Lucky Draw Tailings Project. The Company also received notification from the Department of Industry and Investment that the transfer of EL6309 (Weelah) from Augur Resources Limited ('Augur') had been approved.

In January 2012, the Company announced that it had executed a conditional agreement to acquire Stonewall Mining Pty Ltd ("Stonewall") which holds a 74% interest in Transvaal Gold Mining Estates Limited ("TGME") and Sabie Gold Mines Pty Ltd ("Sabie"). Together TGME and Sabie have a JORC Gold Resource of 0.7 Million Ounces measured and indicated, and 2.094 Million Ounces inferred. The remaining 26% interest in Stonewall is held by Black Economic Empowerment Community Trusts ("BEE").

The Stonewall acquisition is subject to various conditions, including receipt of all necessary regulatory and shareholder approvals in connection with this transaction.

Under the agreement the Company will acquire 100% of the issued share capital of Stonewall. Pursuant to the agreement, the Company will initially acquire approximately 80% of Stonewall (due to South African exchange control legislation), with the balance of the shares (20%) to be the subject of a separate put and call option arrangement.

The Company has also reached agreement with Stonewall to acquire 74% of Bosveld Mines Proprietary Limited for no additional consideration. In May 2012 the Company completed its legal and financial due diligence and a General Meeting of Shareholders will be held on 2 October 2012 where Shareholders will vote to approve the transaction.

The furtherance of the Stonewall transaction has been the main focus of the directors for the second half of the financial year and the directors see progression of this transaction and subsequent operations as being the primary focus of the Company going forward on the basis it is approved by Shareholders.

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULTS

The Company recorded a loss of $1,834,341 for the twelve month period to 30 June 2012. This compared to a loss of $1,013,721 for the corresponding period last year.

The magnitude of the loss of the Company is primarily attributable to significant costs incurred for Corporate financing / Listing advisory costs of $869,708 (2011: $164,385) and Professional / Advisory / Services costs of $469,146 (2011: 305,675). Additionally, in accordance with the accounting policies adopted, the board impaired capitalised expenditure on tenements of $147,152 (2011: Nil).

The significant expenditure in Corporate financing / Listing advisory and Professional / Advisory / Services is primarily attributable to the following:

Corporate finance / Listing advisory expenses:

- Expensing of the $516,667 prepayment from the 2011 financial year in relation to shares issued in lieu of services for advisory fees
- Once off expenditure in relation to consultancy services provided on agreements pertaining to the Lucky Draw tenement and agreement with Developed Resources Limited totaling $160,000

Professional / Advisory / Services expenses:

- Additional legal, audit and accounting fees incurred during the year in relation to the Stonewall transaction.

REVIEW OF OPERATIONS

The board of directors has been expanded since the announcement of the proposed Stonewall acquisition to include new directors, Trevor Fourie and David Murray. Both Mr Fourie and Mr Murray have vast experience in the industry and have the expertise to drive the Company to become a successful gold production company should shareholders approve the transaction.

FINANCIAL POSITION

The net assets of the Company decreased from $3,208,817 as at 30 June 2011 to $1,934,876 as at 30 June 2012.

PROJECTS

Lucky Draw Tailings Dam
100% Meridien Resources

The tenement is situated near the township of Burraga, approximately 3 hours west of Sydney. The Lucky Draw tailings dam is located 1.3km northeast of the Lucky Draw gold mine, an open cut mine that ceased operation in 1991.

The Company has previously received a resource statement with sign off on a JORC classified resource (Measured and Indicated) of 1,415,500 tones at an average grade of 0.47g/t for a total of 21,400 ounces of in-situ gold.

Lucky Draw Tailings Dam Gold Resources – classified – December 2010 Within Meridien's EL 6810 portion of the dam					
Resource class	Class % by tonnage	Cut-off (g/t)	Tonnes (t)	Gold (g/t)	Gold (oz)
Inferred	13%	-	187,500	0.31	1,900 (9%)
Indicated	12%	-	174,600	0.28	1,600 (7%)
Measured	75%	-	1,053,100	0.53	17,900 (84%)
Total		-	1,415,500	0.47	21,400

The Company executed a Mining Operation Agreement with Development Resources Pty Ltd to progress the Lucky Draw Tailings Project.

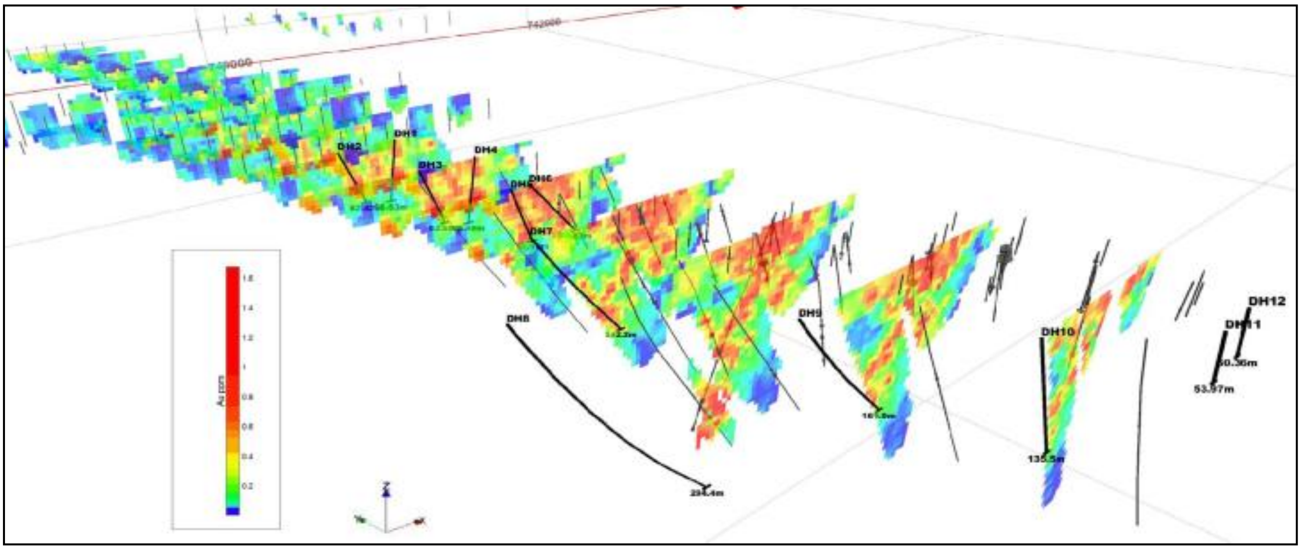
Springfield
80% Meridien Resources, 20% Jaguar Minerals

In the 2011 financial year, Meridien exercised an option with Jaguar to acquire 80% of Springfield. Jaguar retains a 20% interest in the property which is free carried to feasibility.

Springfield is situated approximately 220km north west of Sydney and lies between the towns of Gulgong and Mudgee. The tenement covers 70km² and is located in the upper catchment of the historically significant Gulgong alluvial goldfield.

Between 1870 and 1927 the Gulgong Gold Field produced an estimated 1,000,000 ounces Au (officially recorded production was 550,000 ounces Au).

RC and diamond drilling has defined an inferred resource of 2.636 Mt at 1.0g/t Au for a contained 85,000 ounces Au. The following table presents the inferred Resource estimates at 0.75g/t Au and 0.5g/t Au lower cut offs on the whole tenement at Springfield:



Zone	Cut Off Grade	Tonnes	Grade	Ounces Gold
Global	0.75	1,877,000	1.15	69,000
Global	0.50	2,636,000	1.00	85,000

The Springfield deposit is considered the most prospective target in the area. The bulk of the resource is relatively near surface and remains open along strike and down dip.

Centric Minerals Management Pty Ltd ('Centric') conducted 3D Voxel modeling of data obtained from drilling by previous explorers. Results from the Voxel modeling support the previous resource estimate and indicate good potential for resource extensions, both near surface and at depth.
Eleven RC and one diamond drill hole totaling 1,230m in length are proposed at Springfield. They are designed to test deep and shallow targets as extensions to known mineralization. The diamond hole is designed to test the extension of a 40m (150-190m) long dip intersection averaging 1.4 ppm Au, including 12m (160-172m) averaging 2.84 ppm Au, near the end of SRC200, a hole drilled in 1990 by Newmont.

3D Voxel Model of historical drilling (Centric Minerals Management Pty Ltd)

Centric also identified 3 additional targets being Divide 4; Orchard West; and Canadian Lead Embayment.

Mt David
100% Jaguar Minerals

EL 5242 is held by Jaguar Mineral Limited. In mid-2010, Jaguar entered into a farm-in arrangement with Meridien to progress the exploration program of the tenement.

Mount David is centered approximately 17 km north-northeast (NNE) of Burraga and 40 km south of Bathurst in the Central Tablelands region of New South Wales (NSW). The tenement covers an area of approximately 128 km2 and lies in the highly prospective Ordovician volcanics. The old Mt David gold mine produced approximately 27,000 ounces at 12.39g/t Au during the late 19th and early 20th centuries. The exploration target in this tenement is structurally controlled epithermal gold and porphyry copper-gold related mineralization.

Two forms of mineralisation have been identified and are targets by Jaguar and Meridien. These include:

- Disseminated porphyry mineralisation within the Ordovician Rockley Volcanics; and
- Structurally controlled lode gold mineralisation.

To date, five Reverse Circulation (RC) drilling holes have already been completed on the northern end of Mount David. The best intersections were 2m @ 2.3g/t Au from 28m and 2m @ 1.7g/t Au from40m. Additional targets have been identified on the tenement. All targets require further research, and continued field investigations will involve geochemical surveys, with anomalies to be followed up by geophysics and drilling.

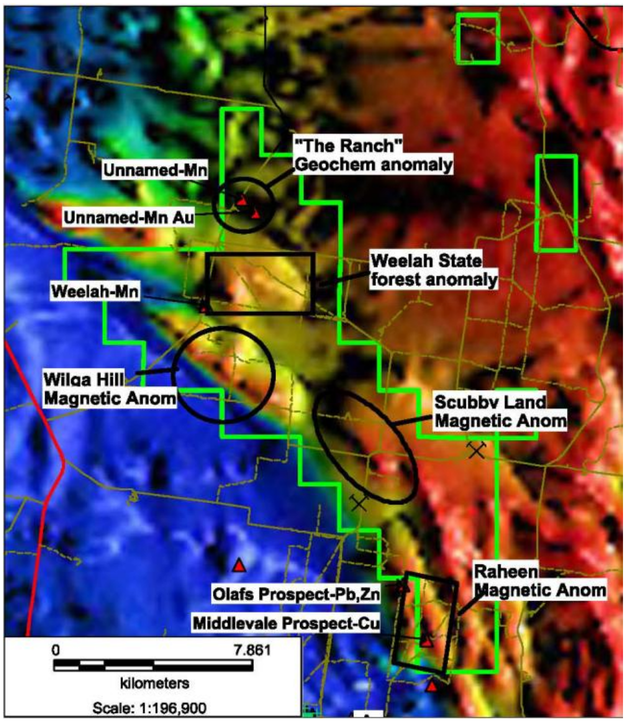
Weelah
80% Meridien Resources, 20% Augur Resources

In the 2011 financial year, Meridien exercised the option it had with Augur to acquire 80% of Weelah. Augur retains a 20% interest in the property which is free carried to feasibility.

The Weelah Tenement (150km²) covers an area of the Cowal Volcanics and a splay of the locally mineralised "Gilmore Suture". The tenement is located 32km to the northwest of Barrick Gold Corporation's Cowal gold mine, a 4 Moz epithermal/porphyry deposit where gold is present in quartz, carbonate and sulphide veins.

The tenement is prospective for Lake Cowal style carbonate-base metal and porphyry copper-gold style mineralisation. An interpretation of the available prospect information and aeromagnetic data indicates that exploration should focus on dilatants splays off the Gilmore Suture. These dilatant zones are prospective for Lake Cowal style carbonate-base metal epithermal gold mineralisation or Ordovician porphyry Cu-Au mineralisation.

The Wilga Hill, Scrubby Lane and Raheen prospects all fall on interpreted splays off the Gilmore Suture, and warrant further investigation.



EL 6309 Aeromagnetic data, old workings (red triangles), and prospects/anomalies to be investigated further (black polygons)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial year:

- On 27 January 2012, the Company issued 574,998 fully paid ordinary shares to convertible note holders in satisfaction of their entitlement to bonus shares in accordance with the terms of the convertible notes.
- On 22 June 2012, the Company issued 5,509,590 fully paid ordinary shares to a sophisticated investor for total consideration of $550,959.

DIVIDENDS

No dividends were paid or declared by the Company during the financial year or the prior year. The directors do not recommend the payment of a dividend.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to balance date, the Company has dispatched a Notice of Meeting to shareholders for a meeting to be held on 2 October 2012.

The primary purpose of the meeting will be to seek shareholder approval to proceed with the acquisition of Stonewall Mining (Proprietary) Ltd and the related issue of shares and requirement for the Company to re-comply with Chapters 1 & 2 of the ASX Listing Rules.

Additional information on the transaction is as follows:
On 23 January 2012, Meridien announced it had entered a conditional agreement to acquire Stonewall under a reverse acquisition transaction. In a related announcement on 23 May 2012, Meridien announced it had reached an agreement with Stonewall to acquire an additional asset, the Bosveld Project for no additional consideration.

There are some restrictions that exist in relation to South African shareholdings in foreign entities which have impacted the structure of the transaction.

Specifically, South African exchange control regulations prevent South African shareholders from owning shares in a foreign entity without approval of the South African Reserve Bank. Accordingly, the Proposed Transaction is subject to the following agreements:

- a Share Sale Agreement under which Meridien will acquire 80.02% of the issued share capital of Stonewall; and

- an Option Agreement under which Meridien will acquire the option to buy the remaining 19.98% of the South African Shares and South African Shareholders will acquire the right to sell the South African Shares to Meridien.

The Option Agreement is subject to the acquisition of Stonewall being executed and becoming unconditional.

In consideration for the acquisition of Stonewall shares held by non-South African Shareholders and call options over Stonewall shares held by South African Shareholders, Meridien will issue up to 448,000,000 fully paid ordinary Meridien shares and up to 25,000,000 options to existing Stonewall shareholders. Meridien is also seeking to issue shares and options to certain advisors and stakeholders, and raise between $3 million and $10 million under the Proposed Capital Raising.

The Proposed Transaction is subject to shareholder approval with respect to all proposed issues of shares and options, including the Proposed Capital Raising. As previously indicated, Meridien shareholders will meet on 2 October 2012 to vote on the transaction.

In addition to the Proposed Transaction, Meridien announced on 6 July 2012 that Stonewall's largest shareholder, Khan International had entered into a subscription agreement to invest a further USD 10 million into Stonewall under a private placement. The announcement stated that the placement would allow Stonewall to access capital earlier than originally anticipated and continue to advance operations in South Africa and build value for all stakeholders. As announced the placement was completed on 19 July 2012.

Further information about the transaction can be found in the Notice of Meeting released on 28 August 2012.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

As outlined earlier in this report, the Company has successfully negotiated (subject to shareholder approval) the acquisition of South African gold miner Stonewall Mining Proprietary Ltd ("Stonewall"). The Company has released a notice of meeting to be held on 2 October 2012 at which shareholders will vote to approve the acquisition.

Should shareholder approval be granted, the acquisition of Stonewall will constitute a significant change in the nature and scale of the Company's activities of the nature contemplated by Chapter 11 of the ASX Listing rules. Consequently, should approval from shareholders be granted, the Company will be required to re-comply with the requirements of Chapters 1 & 2 of the ASX Listing Rules, including the preparation of a full form prospectus and, if necessary undertaking a consolidation.

In the opinion of the directors, this transaction is a major success for the Company and will significantly improve the prospects for the Company into the future.

ENVIRONMENTAL ISSUES

The Company is subject to environmental regulation in respect of its exploration activities. However the directors of the Company believe that there are no significant environmental issues at this stage of exploration.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

NON-AUDIT SERVICES

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

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor;
- the nature of services does not compromise the general principles relating to auditor independence in accordance with APES 100: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board; and
- RSM Bird Cameron was paid $750 for assistance provided to Deloitte in respect to financial due diligence undertaken as part of the Stonewall transaction.

INFORMATION ON DIRECTORS

Directors

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

Mr N. Taylor	Non-Executive Chairman
Mr S. Dhupelia	Non-Executive Director (Appointed 02/09/2011)
Mr T. Fourie	Non-Executive Director (Appointed 27/01/2012)
Mr D. Murray	Non-Executive Director (Appointed 27/01/2012)
Mr M. J. Ivkovic	Managing Director (Resigned 27/01/2012)
Mr K. R. Shirlaw	Non-Executive Director (Resigned 02/09/2011)
Mr J. Macfarlane	Non-Executive Director (Resigned 02/09/2011)

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

Mr Nathan Taylor	—	Chairman (Non-Executive)
Qualifications	—	Bachelor of Commerce and a Bachelor of Laws from Bond University
Experience	—	Nathan has experience as Head of Equity Capital Markets at Stonebridge Securities Limited, a boutique stockbroker headquartered in Sydney. Prior to joining StoneBridge, Nathan worked within the UBS Equity Capital Markets team and prior to this within the Macquarie Bank Equity Capital Markets team. Nathan has been involved in raising over A$6bn for ASX listed companies. Nathan also has experience in conducting due diligence and structuring a number of regulated and unregulated M & A transactions through his work with Blake Dawson as a Corporate Lawyer.
Interest in Shares and Options	—	N/A
Directorships held in other Australian listed entities during the three years prior to the current year	—	Current director of Energio Limited (ASX:EIO)

Mr Sunil Dhupelia	—	Non-Executive Director (Appointed 2/9/2011)
Qualifications	—	Bachelor of Laws and a Bachelor of Commerce from the University of Queensland.
Experience	—	Has almost a decade of corporate transaction and advisory experience. He began his career in law before joining Merrill Lynch's investment banking division based in Sydney. After several years working in Australia he moved to Hong Kong to broaden his experience across regional markets. During his time working with the firm he was involved in over 100 equity capital market transactions for many of Australia's and Asia' largest companies.
Interest in Shares and Options	—	Nil
Directorships held in other Australian listed entities during the three years prior to the current year	—	Nil

DIRECTORS' REPORT

Mr Michael Ivkovic	—	Managing Director (Resigned 27/01/2012)
Qualifications	—	Bachelor of Commerce – University of New South Wales
Experience	—	Michael has extensive experience in the structured finance, funds management and investment banking industry in Australia and Asia. Michael was formerly the Chairman of Brick Securities Limited, Executive Chairman of NZI Securities Limited and NZI Investment Services Limited.
Interest in Shares and Options	—	Ivkovic Holdings Pty Ltd – 1,250,000 Ordinary Shares and 625,000 Option
Directorships held in other Australian listed entities during the three years prior to the current year	—	Current director of Meridien Capital Limited (NSX:MEK)
Mr Kevin Shirlaw	—	Non-Executive Director (Resigned 02/09/2011)
Qualifications	—	Chartered Accountant (FCA, ACIS)
Experience	—	Appointed to the Board in 2008. Kevin has specialised in business recovery and insolvency since 1975. He was a senior partner of Horwath and Horwath from 1985 to 1998.
Interest in Shares and Options	—	Direct - 250,000 Ordinary Shares and 125,000 Options Indirect – 100,000 Ordinary Shares
Directorships held in other Australian listed entities during the three years prior to the current year	—	Current director of Meridien Capital Limited (NSX:MEK)
Mr John Macfarlane	—	Non-Executive Director (Resigned 02/09/2011)
Qualifications	—	Fellow of the Financial Services Institute of Australia. Practitioner Member of the Securities and Derivatives Industry Association.
Experience	—	Appointed to the Board in 2008. John has been involved in Australian Stockbroking, Finance and Capital markets since 1964 with a particular emphasis on capital raising for resources and mining companies. He is formerly a member of the Stock Exchange of Melbourne and Australian Stock Exchange Limited.
Interest in Shares and Options	—	Direct - 260,000 Ordinary Shares and 125,000 Options Indirect – 650,000 Ordinary Shares and 250,000 Options
Directorships held in other Australian listed entities during the three years prior to the current year	—	Nil

Mr Trevor Fourie	—	Non-Executive Director (Appointed 27/01/2012)
Qualifications	—	Advanced Executive Program, School of Business Leadership, University of South Africa; Diploma in Management, Henley Business School; Advanced Management Program, Harvard
Experience	—	Mr Fourie has had 24 years experience in corporate and retail banking with Barclays Bank and First National Bank. Mr Fourie has served as Executive Directors of FBC Future Bank Corporation Limited and Marketing Director for WesBank. After his relocation to Australia he was appointed as Chief Executive Officer of RMB Australia's leasing division and Executive Director of RMB Australia Limited (Rand Merchant Bank Australia). As of 2008 he has pursued his own ventures in the financial services and resources sectors, and is currently a non-executive director of Galaxy Gold.
Interest in Shares and Options	—	Nil
Directorships held in other Australian listed entities during the three years prior to the current year	—	Nil
Mr David Murray	—	Non-Executive Director (Appointed 27/01/2012)
Qualifications	—	Bachelor of Science (Civil Engineering), University of Natal; Post Graduate Diploma (Mining), University of Pretoria; Advanced Executive Program, University of South Africa
Experience	—	Mr Murray retired as president of Energy Coal at BHP Billiton Limited in December 2009 after holding various senior positions within the coal division from 1993. Mr Murray worked for Ingwe Coal Corporation from 1978 to 1999, having acted as Managing Director from 1993 onwards. In 1999 he was appointed as Chief Executive of Billiton Coal. In 2001, after moving to Australia, he was appointed CEO of BHP Billiton Mitsubishi Alliance. Prior to accepting, the position of President of Energy Coal in 2008, Mr Murray has served as BHP's President of Metallurgical Coal and President of the Coal Customer group.
Interest in Shares and Options	—	Nil
Directorships held in other Australian listed entities during the three years prior to the current year	—	Current director of Coal of Africa Limited (ASX:CZA) Current director of Coalspur Mines Limited (ASX:CPL)

COMPANY SECRETARY

Mr P. Hunt - Company Secretary (Appointed 02/09/2011)

Mr Hunt an employee and former partner managing of PKF Business Advisers Pty Ltd Adelaide and is a Fellow of the Institute of Chartered Accountants and a Member of the Australian Institute of Company Directors.

His experience includes due diligence assignments, valuations, expert opinion and investigative work associated with take-overs, reconstructions, acquisitions, mergers, back door and public listings and corporate reconstructions.

DIRECTORS' REPORT

Mr R. Hill (Resigned 2/09/2011)

Mr Hill is a Chartered Accountant with more than 30 years experience in both Australia and Papua New Guinea. Mr Hill is a principal of DFK - Richard Hill Chartered Accountants and Business Advisors where he has provided secretarial, taxation, accounting and auditing services to a wide variety of clients including Santos Limited, Marengo Mining Limited, Drillsearch Limited, Great Artesian Oil and Gas Limited, Bounty Oil and Gas NL and Queensland Mining Corporation Limited. He is a member of the Australasian Institute of Chartered Accountants.

MEETINGS OF DIRECTORS

During the financial year, 2 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
K Shirlaw	0	0
M Ivkovic	0	0
J. Macfarlane	0	0
N. Taylor	2	2
S. Dhupelia	2	2
T Fourie	2	2
D Murray	2	2

OPTIONS

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
30 Nov 2008	31 Oct 2013	$0.50	2,134,000
30 Apr 2009	31 Oct 2013	$0.50	782,500
12 Jun 2009	31 Oct 2013	$0.50	172,000
15 Jun 2009	31 Oct 2013	$0.50	8,000
29 October 2009	31 Oct 2013	$0.50	497,500
			3,594,000
On 1 Nov 2010 Split options basis of 5 options for every 2 options held			8,985,000
30 Mar 2011	30 Mar 2014	$0.25	1,000,000
Exercised date			
29 Apr 2011		$0.20	(100,000)
3 May 2011		$0.20	(25,000)
			9,860,000

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

INDEMNITY AND INSURANCE OF OFFICERS

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

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

INDEMNITY AND INSURANCE OF AUDITORS

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

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

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 22.

REMUNERATION REPORT

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

Remuneration policy

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

The board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- All key management personnel receive the agreed salary or fee.
- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Binomial Option Pricing Model.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance-based remuneration

No key management personnel received performance-based payments during the financial year (See Table of Benefits and Payments for the Year Ended 30 June 2012 for more details)

Relationship between Remuneration Policy and Company Performance

At this stage there is no relationship between Remuneration Policy and Company Performances.

Performance Conditions Linked to Remuneration

There are no links between performance conditions and Remuneration.

REMUNERATION REPORT

Employment Details of Members of Key Management Personnel and Other Executives

The following table provided employment details of persons who were, during the financial year, members of key management personnel of the Company. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position held as at 30 June 2012 and any changes during the year	Contract details (duration & termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives%	Shares/ Unites%	Options/ Rights%	Fixed Salary/Fees %	Total %
Key Management Personnel							
Mr. Nathan Taylor	Chairman (Non-Executive)	No fixed term.	N/A	N/A	N/A	100	100
Mr S. Dhupelia	Director (Non-Executive) (Appointed 02/09/2011)	No fixed term	N/A	N/A	N/A	100	100
Mr T. Fourie	Director (Non-Executive) (Appointed 27/01/2012)	No fixed term	N/A	N/A	N/A	N/A	N/A
Mr D. Murray	Director (Non-Executive) (Appointed 27/01/2012)	No fixed term	N/A	N/A	N/A	N/A	N/A
Mr. K. R. Shirlaw	Director (Executive) (Resigned 02/09/2012)	No fixed term.	N/A	N/A	N/A	100	100
Mr. J. Macfarlane	Director (Non-Executive) (Resigned 02/09/2011)	No fixed term.	N/A	N/A	N/A	100	100
Mr. M. Ivkovic	Managing Director (Resigned 27/01/2012)	2 years contract from 17 December 2010 to 16 December 2012	N/A	N/A	N/A	100	100
Mr. D. Ivkovic	General Manager (Resigned 31/12/2011)	2 years contract from 1 July 2010 to 30 June 2012.	N/A	N/A	N/A	100	100
Other Executives							
Mr. R. Hill	Company Secretary (Resigned 02/09/2011)	No fixed term.	N/A	N/A	N/A	100	100
Mr. P. Hunt	Company Secretary (Appointed 02/09/2011)	No fixed term	N/A	N/A	N/A	100	100

The employment terms and conditions of key management personnel and executives are yet to be formalised in contracts of employment.

Changes in Directors and Executives Subsequent to Year-end

There have been no changes in Directors and Executives Subsequent to Year-end except as noted above.

REMUNERATION REPORT

Remuneration Details for the Year Ended 30 June 2012

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Company and, to the extent different, the five company executives and five company executives receiving the highest remuneration:

Table of Benefits and Payments for the Year Ended 30 June 2012

2012	SHORT-TERM BENEFITS			POST-EMPLOYMENT		SHARE-BASED		Termination	
	Cash and Salary Fees	Cash bonus	Non-monetary benefits	Pension and Super-annuation	Other	Shares/ Units	Options/ Rights	**Benefits**	**Total**
	$	$	$	$	$	$	$	$	$
Directors									
Nathan Taylor	40,000	-	-	-	-	-	-	-	40,000
Sunil Dhupelia	33,333	-	-	-	-	-	-	-	33,333
Kevin Shirlaw	8,892	-	-	-	-	-	-	-	8,892
J MacFarlane	6,333	-	-	-	-	-	-	-	6,333
Michael Ivkovic	65,000	-	-	5,185	-	-	-	-	70,185
Other Key management personnel									
Richard Hill*	41,635	-	-	-	-	-	-	-	41,635
Peter Hunt**	89,655	-	-	-	-	-	-	-	89,655
David Ivkovic	59,573	-	-	5,363	-	-	-	-	64,936
Total Kay Management Personnel	344,421	-	-	10,548	-	-	-	-	354,969

* Richard Hill, former Company Secretary, is a partner of DFK Richard Hill Pty Ltd which provided advisory, accounting and company secretarial services to Meridien Resources Ltd. The contract between Meridien Resources Ltd and DFK Richard Hill Pty Ltd was based on normal commercial terms. A total of $41,635 (2011: $121,259) was charged by DFK Richard Hill Pty Ltd in relation to this contract for the year. None of these fees remained outstanding at 30 June 2012 (2011: $35,000)

** Peter Hunt, Company Secretary, is an employee of PKF Business Advisers Pty Ltd which provided advisory, accounting and company secretarial services to Meridien Resources Ltd. The terms of the engagement between Meridien Resources Ltd and PKF Business Advisers Pty Ltd is based on normal commercial terms. The total of $89,655 (2011: $nil) detailed in the table above was charged by PKF Business Advisers Pty Ltd in relation to this engagement for the year, including $55,122 (2011: $nil) which was still outstanding as at 30 June 2012 and included in Trade and Other Payables as per Note 12.

REMUNERATION REPORT

Table of Benefits and Payments for the Year Ended 30 June 2011

2011	SHORT-TERM BENEFITS			POST-EMPLOYMENT		SHARE-BASED		
	Cash and Salary Fees	Cash bonus	Non-monetary benefits	Pension and Super-annuation	Other	Shares/Units	Options/Rights	**Total**
	$	$	$	$	$	$	$	$
Directors								
Nathan Taylor	-	-	-	-	-	-	-	-
Kevin Shirlaw	45,645	-	-	-	-	-	-	45,645
J MacFarlane	51,967	-	-	-	-	-	-	51,967
Kevin Good	52,248	-	-	-	-	-	22,000	74,248
Michael Ivkovic	70,000	60,000	-	6,300	-	-	-	136,300
Other Key management personnel								
Richard Hill	146,260	-	-	-	-	-	-	146,260
David Ivkovic	110,000	-	-	9,900	-	-	-	119,900
Chris Sylvestor	2,083	-	-	-	-	-	-	2,083
Charles Straw	6,250	-	-	-	-	-	-	6,250
Total	484,453	60,000	-	16,200	-	-	22,000	582,653

Securities Received that are not Performance Related

There were no securities issued that are not performance related for the year ended 30 June 2012.

Shares and options issued as part of remuneration for the year ended 30 June 2012

There were no shares or options issued as part of the remuneration for the year ended 30 June 2012.

This directors' report, incorporating the remuneration report, has been signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

For and on behalf of the directors

Nathan Taylor
Chairman
Sydney

28 September 2012

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 53, are in accordance with the Corporations Act 2001 and:

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

   (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Company;

2. 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; and

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

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

On behalf of the directors

Nathan Taylor
Chairman

Sydney,
28 September 2012

AUDITOR'S INDEPENDENCE DECLARATION

TO BE INSERTED

MERIDIEN RESOURCES LIMITED
ABN 30 131 758 177

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 $	2011 $
Revenue	2	54,778	18,137
Other Income	2	1,474	7,170
Employee benefits expense		(127,198)	(274,302)
Depreciation expense		(2,209)	(4,087)
Occupancy expense		(39,865)	(50,320)
Corporate financing/listing advisory		(869,708)	(164,385)
Professional/Advisory/Services		(469,146)	(305,675)
Finance costs		(63,164)	(61,769)
Net loss on financial assets at fair value through profit or loss		(11,834)	(25,000)
Impairment - tenements		(147,152)	-
ASX listing charge		(25,645)	(38,073)
Corporate activities		(2,534)	(13,512)
Travel and accommodation		(89,642)	(30,385)
NSX delisting charge		-	(20,000)
Other expenses		(42,496)	(51,520)
Loss before income tax		**(1,834,341)**	**(1,013,721)**
Income tax expense	3	**-**	**-**
Loss for the year		**(1,834,341)**	**(1,013,721)**
Other comprehensive income:		-	-
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year		**(1,834,341)**	**(1,013,721)**
Loss attributable to members of the Company		**(1,834,341)**	**(1,013,721)**
Losses per share			
Basic loss per share (cents per share)	6	**4.48**	**5**
Diluted loss per share (cents per share)	6	**4.48**	**5**

The accompanying notes form part of these financial statements

MERIDIEN RESOURCES LIMITED
ABN 30 131 758 177

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,090,350	1,858,134
Trade and other receivables	8	61,940	89,925
Other financial assets	9	7,470	19,304
Other assets	11	-	516,667
TOTAL CURRENT ASSETS		1,159,760	2,484,030
NON-CURRENT ASSETS			
Property, plant and equipment	10	133,675	135,884
Other non-current assets	11	931,690	998,166
TOTAL NON-CURRENT ASSETS		1,065,365	1,134,050
TOTAL ASSETS		2,225,125	3,618,080
LIABILITIES			
CURRENT LIAIBLITIES			
Trade and other payables	12	290,249	96,427
Other financial liabilities	13	-	301,875
Provisions		-	10,961
TOTAL CURRENT LIABILITIES		290,249	409,263
TOTAL LIABILITIES		290,249	409,263
NET ASSETS		1,934,876	3,208,817
EQUITY			
Issued Capital	14	5,440,255	4,879,855
Share option reserve	22	77,609	77,609
Accumulated losses		(3,582,988)	(1,748,647)
TOTAL EQUITY		1,934,876	3,208,817

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Attributable to Equity Holders			
	Issued Capital	**Options Reserves**	**Accumulated Losses**	**Total Equity**
	$	**$**	**$**	**$**
Balance at 1 July 2010	1,226,036	6,900	(734,926)	498,010
Shares issued during the year	4,283,258	-	-	4,283,258
Transaction costs	(715,689)	-	-	(715,689)
Total loss for the year	-	-	(1,013,721)	(1,013,721)
Equity component of convertible notes	86,250	-	-	86,250
Options Reserve	-	70,709	-	70,709
Balance at 30 June 2011	4,879,855	77,609	(1,748,647)	3,208,817
Balance at 1 July 2011	4,879,855	77,609	(1,748,647)	3,208,817
Shares issued during the year	600,000	-	-	600,000
Transaction costs	(39,600)	-	-	(39,600)
Total loss for the year	-	-	(1,834,341)	(1,834,341)
Balance at 30 June 2012	5,440,255	77,609	(3,582,988)	1,934,876

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		$	**$**
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(944,742)	(973,508)
Interest received		61,732	17,895
Interest paid		(19,498)	(18,643)
Net cash used in operating activities	18	(902,508)	(974,256)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(124,717)
Purchase of Exploration Assets		(80,676)	(240,859)
Net cash used in investing activities		(80,676)	(365,576)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		560,400	2,796,183
Proceeds from borrowings		-	345,000
Repayment of borrowings		(345,000)	-
Repayment of related parties loan		-	21,614
Net cash provided by financing activities		215,400	3,162,797
Net increase in cash and cash equivalents		(767,784)	1,822,965
Cash at the beginning of the year		1,858,134	35,169
Cash at the end of the financial year	7	1,090,350	1,858,134

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

Going Concern

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 $1,834,341 and had net cash outflows from operating activities of $902,508 for the year ended 30 June 2012. The ability of the Company to continue as a going concern is dependent on a number of factors, the most significant of which are the completion of the Stonewall transaction and the Proposed Capital Raising disclosed in Note 19, or alternatively, obtaining alternative sources of funding.

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:

- The Company has been successful in raising capital during the year ($550,969 per Note 14);
- The Company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001;
- The Company has cash at bank at balance date of $1,090,350, net working capital of $862,041 and net assets of $1,934,876;
- The ability of the Company to further scale back certain parts of their activities, which are non essential, so as to conserve cash;
- The Company retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets; and
- The Directors have prepared cash flow projections for the Company and have satisfied themselves that the Company has adequate funding available to settle any obligations as and when they become due.

Accordingly, the Directors believe that the Company will be able to continue as 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 going concern.

a. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rate that are expected to apply to the period when the assets is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.
Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property, Plant and Equipment

Property, plant and equipment are measured on cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

c. Exploration and Development Expenditure

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

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

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

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

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

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

d. Financial Instruments

Initial Recognition and Measurement

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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

The *effective interest* method is used to allocate interest income or interest expenses over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expenses in profit or loss.

i. Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value are included in profit or loss.

ii. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

De-recognition

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

e. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

f. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

g. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

j. Revenue and Other Income

Interest revenue is recognised using the effective interest rate method,

All revenue is stated net of the amount of goods and services tax (GST)

k. Borrowing Costs

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

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

n. Critical Accounting Estimates and Judgments

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 the end of each reporting period by evaluation conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments

Exploration and Evaluation Expenditure

The Company capitalised expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the period at $927,690.

o. Earnings Per Share

(i) Basic Earnings Per Share

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

(ii) Diluted Earnings Per Share

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

p. New, revised or amending Accounting Standards and Interpretations adopted

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

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

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
The Company has applied AASB 2010-4 amendments from 1 July 2011. The amendments made numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provided clarification of disclosures in AASB 7 'Financial Instruments: Disclosures', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments; clarified that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with AASB 101 'Presentation of Financial Instruments'; and provided guidance on the disclosure of significant events and transactions in AASB 134 'Interim Financial Reporting'.

AASB 2010-5 Amendments to Australian Accounting Standards
The Company has applied AASB 2010-5 amendments from 1 July 2011. The amendments made numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

AASB 124 Related Party Disclosures (December 2009)
The Company has applied AASB 124 (revised) from 1 July 2011. The revised standard simplified the definition of a related party by clarifying its intended meaning and eliminating inconsistencies from the definition. A subsidiary and an associate with the same investor are related parties of each other; entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.

AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets
The Company has applied AASB 2010-6 amendments from 1 July 2011. These amendments add and amended disclosure requirements in AASB 7 about transfer of financial assets, including the nature of the financial assets involved and the risks associated with them. Additional disclosures are now required when (i) an asset is transferred but is not derecognised; and (ii) when assets are derecognised but the Company has a continuing exposure to the asset after the sale.

AASB 1054 Australian Additional Disclosures
The Company has applied AASB 1054 from 1 July 2011. The standard sets out the Australian-specific disclosures as a result of Phase I of the Trans-Tasman Convergence Project, which are in addition to International Financial Reporting Standards, for entities that have adopted Australian Accounting Standards.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project
The Company has applied AASB 2011-1 amendments from 1 July 2011. These amendments made changes to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to International Financial Reporting Standards ('IFRSs') and harmonisation between Australian and New Zealand Standards. The amendments removed certain guidance and definitions from Australian Accounting Standards for conformity of drafting with IFRSs but without any intention to change requirements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation

The Company has applied AASB 2011-5 amendments from 1 July 2011. These amendments extended relief from consolidation, the equity method and proportionate consolidation where the ultimate or intermediate parent applied not-for-profit Aus paragraphs in Australian IFRSs as adopted in Australia.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2012. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

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

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Company will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the Company.

AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The Company is yet to quantify the tax effect of adopting these amendments from 1 July 2012.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

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

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

These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: REVENUE AND OTHER INCOME

	2012	2011
a. Revenue from continuing operations	**$**	**$**
Other revenue:		
- Interest received	54,778	18,137
	54,778	18,137
Other income:		
- Unrealised gains on financial assets at fair value through profit and loss	-	7,170
- Gain on foreign currency translation	1,474	-
	1,474	7,170

NOTE 3: INCOME TAX EXPENSE

	2012	2011
	$	**$**
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2011: 30%)	$550,302	$304,116
Add:		
Tax effect of:		
Blackhole expenses write off	$58,581	$60,447
Exploration & Evaluation expenses capitalised	$24,203	$89,020
Accrued expenses	-	$22,954
Other deductable	$15,927	$20,302
Less:	$98,711	$192,723
Tax effect of:		
Accrued expenses	$25,440	-
Impairment - tenements	$44,146	-
Unrealised capital loss	$3,550	-
Other non-allowable items	$155,730	$14,867
	$228,866	$14,867
Tax losses and timing differences not brought to account	($420,147)	($481,972)
Income tax attributable to operating loss	-	-

Deferred tax assets
No deferred tax assets have been recognised as yet as it is currently not probable that future taxable profits will be available to realize the asset. Potential deferred tax assets on carry forward losses amount to $1,141,868 (2011: 721,721).

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

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 (KMP) for the year ended 30 June 2012.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2012	2011
Short-term employee benefits	344,421	544,453
Post-employment benefits	10,548	16,200
Termination benefits	-	22,000
	354,969	582,653

NOTE 4: INTEREST OF KEY MANAGEMENT PERSONNEL CONTINUED

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Company during the financial year is as follows:

30 June 2012	Balance at Beginning of Year	Granted as Remuneration during the Year	Exercised during the Year	Other Changes during the Year	Balance at End of Year	Vested during the Year	Vested and Exercisable	Vested and Unexercisable
Mr. Kevin Shirlaw	125,000	-	-	-	125,000	-	-	125,000
Mr. John Macfarlane[1]	375,000	-	-	-	375,000	-	-	375,000
Mr. Michael Ivkovic [2]	625,000	-	-	-	625,000	-	-	625,000
Mr. David Ivkovic	25,000	-	-	-	25,000	-	25,000	-
Mr. Nathan Taylor	-	-	-	-	-	-	-	-
Mr. Richard Hill	625,000	-	-	-	625,000	-	-	625,000
Mr. Sunil Dhupelia	-	-	-	-	-	-	-	-
Mr. Trevor Fourie	-	-	-	-	-	-	-	-
Mr. David Murray	-	-	-	-	-	-	-	-
Mr. Peter Hunt	-	-	-	-	-	-	-	-
Total	**1,775,000**	**-**	**-**	**-**	**1,775,000**	**-**	**25,000**	**1,750,000**

30 June 2011	Balance at Beginning of Year	Split options basis of 5 shares for every 2 shares held	Exercised during the Year	Other Changes during the Year	Balance at End of Year	Vested during the Year	Vested and Exercisable	Vested and Unexercisable
Mr. Kevin Shirlaw	50,000	125,000	-	-	125,000	-	-	125,000
Mr. John Macfarlane[1]	150,000	375,000	-	-	375,000	-	-	375,000
Mr. Kevin Good	50,000	125,000	-	-	125,000	-	-	125,000
Mr. Michael Ivkovic [2]	250,000	625,000	-	-	625,000	-	-	625,000
Mr. David Ivkovic	25,000	-	-	-	25,000	-	25,000	-
Mr. Nathan Taylor	-	-	-	-	-	-	-	-
Mr. Richard Hill	250,000	625,000	-	-	625,000	-	-	625,000
Mr. Chris Sylvestor	-	-	-	-	-	-	-	-
Mr. Charles Straw	-	-	-	-	-	-	-	-
Total	**775,000**	**1,875,000**	**-**	**-**	**1,900,000**	**-**	**25,000**	**1,875,000**

[1]Of the 375,000 (2011: 375,000) Options held by Mr John MacFarlane, 125,000 (2011: 125,000) are held directly and 250,000 (2011: 200,000) are held by Collins Street Securities Pty Limited.

[2] Of the 625,000 (2011: 625,000) Options held by Mr Michael Ivkovic, nil (2011: nil) are held directly and 625,000 (2011: 625,000) are held by Ivkovic Holdings Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: INTEREST OF KEY MANAGEMENT PERSONNEL CONTINUED

30 June 2012	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
Mr. Kevin Shirlaw[1]	350,000	-	-	(50,000)	300,000
Mr. John Macfarlane[2]	910,000	-	-	(150,000)	760,000
Mr. Michael Ivkovic[3]	1,250,000	-	-	-	1,250,000
Mr. David Ivkovic	50,000	-	-	10,000	60,000
Mr. Nathan Taylor	-	-	-	-	-
Mr. Richard Hill	509,201	-	-	-	509,201
Mr. Sunil Dhupelia	-	-	-	-	-
Mr. Trevor Fourie	-	-	-	-	-
Mr. David Murray	-	-	-	-	-
Mr. Peter Hunt	-	-	-	-	-
Total	**3,069,201**	**-**	**-**	**(190,000)**	**2,879,201**

KMP Shareholdings

30 June 2011	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
Mr. Kevin Shirlaw[1]	100,000	250,000	-	100,000	450,000
Mr. John Macfarlane[2]	300,000	750,000	-	160,000	1,210,000
Mr. Kevin Good	100,000	250,000	-	-	350,000
Mr. Michael Ivkovic[3]	500,000	1,250,000	-	-	1,750,000
Mr. David Ivkovic	20,000	50,000	-	-	70,000
Mr. Nathan Taylor	-	-	-	-	-
Mr. Richard Hill	500,000	1,250,000	-	(740,799)	1,009,201
Mr. Chris Sylvestor	-	-	-	-	-
Mr. Charles Straw	-	-	-	-	-
Total	**1,520,000**	**3,800,000**	**-**	**(480,799)**	**4,839,201**

[1]Of the 300,000 (2011: 350,000) Ordinary Shares held by Mr Kevin Shirlaw, 250,000 (2011: 250,000) are held directly and 50,000 (2011: 100,000) are held by Finlay Superannuation Pty Limited. Mr Shirlaw is a director and shareholder of this Company and a beneficiary of the Finlay Superannuation Fund for which the Company acts as trustee.

[2]Of the 760,000 (2011: 910,000) Ordinary Shares held by Mr John MacFarlane, 260,000 (2011: 260,000) are held directly and 500,000 (2011: 650,000) are held by Collins Street Securities Pty Limited. Mr MacFarlane is the sole director and 50% share holder of this Company.

[3]Of the 1,250,000 (2011: 1,250,000) Ordinary Shares held by Mr Michael Ivkovic, nil (2011: nil) are held directly and 1,250,000 (2011: 1,250,000) are held by Ivkovic Holdings Pty Ltd. Mr Ivkovic is the sole director and 50% share holder of this Company.

NOTE 5: AUDITORS' REMUNERATION

	2012 $	2011 $
Remuneration of the auditor of the entity for:		
- Auditing or reviewing the financial report	47,614	27,136
- Investigating Accountant Report	-	14,425
- Assistance with due diligence	750	-
	48,364	41,561

NOTE 6: EARNINGS PER SHARE

a. Reconciliation of earnings to profit or loss		
Losses used to calculated basic and dilutive EPS	(1,834,341)	(1,013,721)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	40,927,864	18,694,845

The Company currently has a number of options on issue. These options could potentially dilute basic earnings per share in the future but have not been included in the earnings per share calculation due to being anti-dilutive for the period.

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	1,090,350	1,858,134
	1,090,350	1,858,134

The effective interest rate was 2.67% (2011: 4.55%)

Reconciliation of cash
Cash at end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,090,350	1,858,134

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

Other receivables	44,668	72,653
Amounts receivable from:		
Other related parties (secured)	10,900	10,900
Other parties (unsecured)	6,372	6,372
	61,940	89,925

The value of receivables considered by the directors to be past due or impaired is nil (2011: nil).

NOTE 9: OTHER FINANCIAL ASSETS

CURRENT
Financial Assets Comprise

a. Financial assets at fair value through profit or loss:		
- Shares in listed corporations	7,470	19,304
	7,470	19,304

NOTE 10: PROPERY, PLANT AND EQUIPMENT

	2012	2011
	$	$
LAND		
Freehold land:		
- at cost	130,967	130,967
Total land	130,967	130,967
PLANT AND EQUIPMENT		
Office equipment at cost	909	909
Less accumulated depreciation	(801)	(693)
	108	216
Website design at cost	17,541	17,541
Less accumulated depreciation	(14,941)	(12,840)
	2,600	4,701
Total plant and equipment	2,708	4,917
Total property, plant and equipment	133,675	135,884

a. Movements in carrying amounts:

	Land	Plant and equipment	Total
	$	$	$
Balance at 1 July 2011	130,967	4,917	135,884
Additions	-	-	-
Depreciation	-	(2,209)	(2,209)
Balance at 30 June 2012	130,967	2,708	133,675

NOTE 11: OTHER ASSETS

		2012	2011
CURRENT			
Prepayments		-	516,667
NON-CURRENT			
Deposit for Exploration License		4,000	4,000
Exploration expenditure capitalised:	**Tenement**		
EL 6810	Lucky Draw Tailings	587,494	583,259
JV farm - in option cost - Cape River Mining Pty Ltd		4,000	4,000
ELA 4492 (formerly EL 5991)	Springfield	336,196	328,605
EL 6309	Weelah	61,513	45,304
EL 5242	Mt David	85,639	32,998
Less: Provision for Impairment (11a)		(147,152)	-
Total Exploration expenditure		927,690	994,166

NOTE 11: OTHER ASSETS CONTINUED

Note 11a:
Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of products.

In accordance with accounting policies adopted, the board has assessed the recoverability of the carrying amount of the exploration assets and determined that an impairment of 100% of the capitalised expenditure of the Weelah and Mt David tenements is appropriate due to the current status of the exploration licences over these tenements. For further details refer to Note 15.

NOTE 12: TRADE AND OTHER PAYABLES

	2012 $	2011 $
CURRENT		
Trade payables and accrued expenses (unsecured)	290,249	96,427
The Trade payables and accrued expenses is made up of:		
Payable to Key Management Personnel		
PKF Business Advisers Pty Ltd	55,122	-
DFK Richard Hill Pty Ltd	-	35,000
Mr. John Macfarlane	-	3,667
Mr. Charles Straw	-	6,875
Payable to supplies of services	235,127	50,885
	290,249	96,427

NOTE 13: OTHER FINANCIAL LIABILITIES

CURRENT		
Convertible Notes		
Face value	-	345,000
Fair value adjustment made	-	(43,125)
Liability Component	-	301,875

As announced on 25 January 2012, the Company repaid in cash the convertible notes on issue which matured on 1 January 2012. The amount repaid totaled $345,000 being the issue total value of notes issued.

NOTE 14: ISSUED CAPITAL

	2012 $	2011 $
46,648,514 (2011: 40,563,926) fully paid ordinary shares	6,528,372	5,928,372
Less: Issue Costs	(1,088,117)	(1,048,517)
	5,440,255	4,879,855

a. Ordinary shares	**Note**	**No.**	**No.**
At the beginning of reporting period		40,563,926	7,665,142
Shares issued during the year			
July 2010 Share Issue		-	228,571
August 2010 Share Issue		-	42,857
September 2010 Share Issue		-	360,000
Total as at 31/10/2010		-	8,296,570
On 01/011/2011 shares were split based on 5 shares for every 2 shares held		-	20,741,426
March 2011 Share Issue and Share Placement		-	16,987,500
April 2011 Exercise of Options and Share Issue		-	160,000
May 2011 Exercise of Options and Share Placement		-	2,525,000
June 2011 Share Placement		-	150,000
Total as at 30 June 2011		40,563,926	40,563,926
March 2012	(1)	574,998	-
June 2012	(2)	5,509,590	-
Total as at 30 June 2012		46,648,514	40,563,926

(1) On 27 January 2012, the Company issued 574,998 fully paid ordinary shares to convertible note holders in satisfaction of their entitlement to bonus shares in accordance with the terms of the convertible notes.

(2) On 22 June 2012, the Company issued 5,509,590 fully paid ordinary shares to a sophisticated investor for total consideration of $550,959. Consideration of $49,041 has been received in relation to 490,410 unissued shares to the sophisticated investor. The shares will be issued subject to shareholder approval at the meeting of shareholders to be held 2 October 2012.

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

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

There have been no share options issued to key management personnel during the financial year.

c. Capital risk management

The Company is at its start-up stage and the management actively controls the capital of the Company. The Company has been seeking to raise more funds to meet operation needs and funding for further exploration activities and acquisitions. The proposed acquisition of Stonewall Mining Proprietary Limited is progressing well and the directors of the Company believe it will provide a stronger capital structure and funding to take the Company to the next level.

NOTE 15: CAPITAL AND LEASING COMMITMENTS

a. Exploration and Evaluation Commitments

In order to maintain current rights of tenure to its exploration permits, the Company has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programmes form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programmes may also be undertaken.

The following discretionary exploration expenditure requirements have not been provided for in the accounts:

	2012	2011
	$	$
Payable		
- Not later than 1 year	305,000	234,000
- Later than 1 year but not later than 5 years	75,000	234,000
Sum Total	**380,000**	**468,000**

The commitments at the balance date are outlined as follows:

Permit EL 6810: The key terms and conditions to maintain the permit is that the Company has a minimum annual expenditure requirement for the EL of $5,000. The application for renewal for a further term of 2 years (expiring 19 June 2013) has been lodged with the Department of Primary Industries and remains under assessment. The annual commitment will be $10,000 per annum on the basis that the renewal application is approved.

Permit Application ELA 4420 & EL 5991: The Company exercised its Option to purchase 80% of the EL on 31 March 2011 with a payment of $100,000 cash and $200,000 in the value of ordinary shares in Meridien Resources Limited. On 15 May 2011, a transfer application was lodged to assign 80% of the tenure to Meridien Resources Limited. A renewal application was submitted on 7 September 2011 to extend the life of the tenure for a further year. On 26 September 2011, the department advised that the renewal and transfer applications were unlikely to be granted as the title was in poor standing with little work and reporting performed. They further advised that the best chance of retaining the tenure was for Meridien Resources Limited to lodge a new EL application over the project area in their name only but with Jaguar's written consent. This application was lodged on 4 November 2011. The application remains under assessment and takes the tenement number ELA 4420. The expenditure commitment under the new application remains $175,000 per annum.

Permit EL6309: The Company exercised its Option to purchase 80% of the EL on 31 March 2011 with a payment of $10,000 cash and $30,000 in the value of ordinary shares in Meridien Resources Limited. A renewal application to extend the life of the tenement through to 26 September 2012 was lodged by Augur Resources on 15 August 2010. This application has yet to be approved by the NSW Department of Trade & Investment – Resources & Energy. In accordance with Section 117(1) of the Mining Act 1992, the department will be offering a renewal of the EL with an expiry date of 26 September 2013. The key terms and conditions to maintain the permit is that the Company has a minimum annual expenditure requirement for the EL of $45,000.

Jaguar Minerals is the registered holder of **EL 5242**. On 3 June 2010, the Company entered into a farm in agreement with Jaguar Minerals in relation to EL 5242 (Mt David Farm in Agreement).

A key term and condition to maintain the permit is that the Company has a minimum annual expenditure requirement for the EL of $75,000. The application for renewal for a further term of 2 years has been granted with an expiry date of 27 June 2014.

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 17: OPERATING SEGMENTS

Segment Information

The Company operates in two business segments in Australia: 1) investment in Australian and International listed and unlisted companies; 2) mining and mineral exploration.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Company is managed and provides a meaningful insight into the business activities of the Company.

The following tables present details of revenue and operating profit by business segment. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of our operating segments separately.

(i) Segment performance

30 June 2012	**Investment $**	**Exploration $**	**Total $**
Revenue			
Unallocated items:			
Interest revenue	-	-	54,778
Reconciliation of segment result to group net (loss) before tax			
Unallocated items:			
Other		($1,889,119)	($1,889,119)
Net profit before tax from continuing operations		($1,889,119)	($1,834,341)

30 June 2011	**Investment $**	**Exploration $**	**Total $**
Revenue			
Unallocated items:			
Interest revenue	-	-	18,137
Reconciliation of segment result to group net (loss) before tax			
Unallocated items:			
Other		($1,049,858)	($1,049,858)
Net profit before tax from continuing operations		($1,049,858)	($1,031,721)

NOTE 17: OPERATING SEGMENTS CONTINUED

(ii) Segment assets

30 June 2012	Investment	Exploration	Total
	$	$	$
Segment assets	19,304	998,166	1,017,470
Segment asset increases (decreases) for the year	(11,834)	(66,476)	(78,310)
	7,470	931,690	939,160
Unallocated assets:			
Other			1,285,965
Total assets			2,225,125

30 June 2011	Investment	Exploration	Total
	$	$	$
Segment assets	37,134	527,307	564,441
Segment asset increases (decreases) for the year	(17,830)	470,859	453,029
	19,304	998,166	1,017,470
Unallocated assets:			
Other			2,600,610
Total assets			3,618,080

NOTE 18: CASH FLOW INFORMATION

	2012	2011
	$	$
a. Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax		
Loss from ordinary activities after income tax	(1,834,341)	(1,024,211)
Non-cash flows in loss from ordinary activities		
Impairment	147,152	25,000
Unrealised loss (gain) – Investment	11,834	(7,170)
Gain on foreign exchange	(1,474)	-
Depreciation	2,209	4,087
Interest write off for convertible notes	43,125	43,125
	(1,631,495)	(959,169)
Changes in assets and liabilities		
(Increase)/decrease in other assets	516,667	103,333
Increase/(decrease) in trade creditors and accruals	176,921	(77,484)
(Increase)/decrease in other debtors	35,399	(40,936)
Cash flow from operations	(902,508)	(974,256)

b. Non-Cash flow Finance & Investing activities

There were no non-cash flow financing and investing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

Subsequent to balance date, the Company has dispatched a Notice of Meeting to shareholders for a meeting to be held on 2 October 2012.

The primary purpose of the meeting will be to seek shareholder approval to proceed with the acquisition of Stonewall Mining (Proprietary) Ltd and the related issue of shares and requirement for the Company to re-comply with Chapters 1 & 2 of the ASX Listing Rules.

Additional information on the transaction is as follows:
On 23 January 2012, Meridien announced it had entered a conditional agreement to acquire Stonewall under a reverse acquisition transaction. In a related announcement on 23 May 2012, Meridien announced it had reached an agreement with Stonewall to acquire an additional asset, the Bosveld Project for no additional consideration.

There are some restrictions that exist in relation to South African shareholdings in foreign entities which have impacted the structure of the transaction.

Specifically, South African exchange control regulations prevent South African shareholders from owning shares in a foreign entity without approval of the South African Reserve Bank. Accordingly, the Proposed Transaction is subject to the following agreements:

- a Share Sale Agreement under which Meridien will acquire 80.02% of the issued share capital of Stonewall; and

- an Option Agreement under which Meridien will acquire the option to buy the remaining 19.98% of the South African Shares and South African Shareholders will acquire the right to sell the South African Shares to Meridien.

The Option Agreement is subject to the acquisition of Stonewall being executed and becoming unconditional.

In consideration for the acquisition of Stonewall shares held by non-South African Shareholders and call options over Stonewall shares held by South African Shareholders, Meridien will issue up to 448,000,000 fully paid ordinary Meridien shares and up to 25,000,000 options to existing Stonewall shareholders. Meridien is also seeking to issue shares and options to certain advisors and stakeholders, and raise between $3 million and $10 million under the Proposed Capital Raising.

The Proposed Transaction is subject to shareholder approval with respect to all proposed issues of shares and options, including the Proposed Capital Raising. As previously indicated, Meridien shareholders will meet on 2 October 2012 to vote on the transaction.

In addition to the Proposed Transaction, Meridien announced on 6 July 2012 that Stonewall's largest shareholder, Khan International had entered into a subscription agreement to invest a further USD 10 million into Stonewall under a private placement. The announcement stated that the placement would allow Stonewall to access capital earlier than originally anticipated and continue to advance operations in South Africa and build value for all stakeholders. As announced the placement was completed on 19 July 2012.

Further information about the transaction can be found in the Notice of Meeting released on 28 August 2012.

NOTE 20: RELATED PARTY TRANSACTIONS

Transactions with related parties:

a. Key Management Personnel

There are no related party transactions with KMP other than remuneration payments made which has been set out in Remuneration Report.

b. Other Related Parties

Meridien Capital Ltd is a listed company on the NSX (NSX Code: MEK). It is one of the largest shareholders of the Company and it holds 5,000,000 ordinary shares in the Company. During the first half of the year, the Company paid rent for the shared office of the Company and MEK. The total amount paid was $26,489.

As at 30 June 2012 an amount of $10,900 was owed to the Company by MEK.

Mr James Taylor and Mrs Erin Taylor act as joint trustees of the Taylor Superannuation Fund. The Taylor Superannuation Fund owns 823,335 ordinary shares in the Company. During the second half of the year, the Company paid rent to the Taylor Superannuation Fund for office space. The total amount paid was $25,000 (being $10,000 rent and $15,000 security bond). Mr Taylor and Mrs Taylor are both members of the Taylor Superannuation Fund. Mr and Mrs Taylor are the parents of Mr Nathan Taylor, Chairman of the Company.

NOTE 21: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from related parties and leases.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

No derivatives are being used by the Company during the financial year. The Company does not speculate in the trading of derivative instruments.

(i) Treasury Risk Management

Due to the size of the Company, a separate finance committee does not exist. The full Board considers credit risk policies and future cash flow requirements as required.

The board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

(ii) Financial Risk Exposures and Management

The entity does not have material exposures to credit risk, liquidity risk and market risk.

NOTE 21: FINANCIAL RISK MANAGEMENT CONTINUED

b. Financial Instruments

(i) Financial instrument composition and maturity analysis:

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

			FIXED MATURITY DATES					
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-5 YEARS	NON INTEREST BEARING	TOTAL
2012	%	$	$	$	$	$	$	$
Financial assets								
Cash and cash equivalents	2.67%	1,090,350	-	-	-	-	-	1,090,350
Trade and other receivables	-	-	-	-	-	-	61,940	61,940
Financial assets at fair value through profit or loss – held for trade	-	-	-	-	-	-	7,470	7,470
		1,090,350					69,410	1,159,760
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	290,249	290,249
		-	-	-	-	-	290,249	290,249

			FIXED MATURITY DATES					
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-5 YEARS	NON INTEREST BEARING	TOTAL
2011	%	$	$	$	$	$	$	$
Financial assets								
Cash and cash equivalents	4.55%	1,510,911	-	-	-	-	347,223	1,858,134
Trade and other receivables	-	-	-	-	-	-	89,925	89,925
Financial assets at fair value through profit or loss – held for trade	-	-	-	-	-	-	19,304	19,304
		1,510,911	-	-	-	-	456,452	1,967,363
Financial liabilities								
Trade and other payables		-	-	-	-	-	96,427	96,427
Convertible Notes	10%	-	301,875	-	-	-	-	301,875
		-	301,875	-	-	-	96,427	398,302

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT CONTINUED

a. Financial Risk Management Policies
(i) Net Fair Values

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2011: net fair value).

(ii) Sensitivity Analysis
Interest Rate Risk, Foreign Currency Risk and Price Risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2012 the effect on loss and equity as a result of 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by $21,807 (2011: $24,818) and an increase in equity by $21,807 (2011: $24,181).

Foreign Currency Risk Sensitivity Analysis

The Company is not exposed to any material foreign currency risk.

Price Risk Sensitivity Analysis

The Company is not exposed to any particular product or services price risk.

NOTE 22: RESERVES	2012 $	2011 $
Reserves		
Share-based payments reserve	77,609	77,609

Nature and purpose of reserves

Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of options issued to employees, directors and suppliers.

NOTE 23: COMPANY DETAILS

The registered office and principal places of business is:
Level 2, 139 Frome Street
ADELAIDE SA 5000

AUDIT REPORT

TO BE INSERTED

AUDIT REPORT

TO BE INSERTED

MERIDIEN RESOURCES LIMITED
ABN 30 131 758 177

ADDITIONAL ASX INFORMATION

The following is current as at 25 September 2012:

1. Shareholding

(a) Distribution of shareholders

Holdings Ranges	Holders	Total Units	%
1-1,000	2	6	0.000
1,001-5,000	8	26,023	0.056
5,001-10,000	118	1,163,883	2.495
10,001-100,000	135	6,469,922	13.870
100,001-99,999,999,999	61	38,988,680	83.580
Totals	**324**	**46,648,514**	**100.000**

(b) The names of substantial shareholders listed in the holding company's register are:

	Ordinary shares	%
JIA BANG WANG	5,509,590	11.811
MERIDIEN CAPITAL LTD	5,000,000	10.718
MR YIZHEN HUANG	3,858,142	8.271
MS JENNIFER PING HUANG	3,121,603	6.692
MR JARRAD DUNN & MRS LENKA DUNN & MRS MICHELE STANTON <UNTOUCHABLE SUPERFUND A/C>	2,000,000	4.287

(c) Voting rights

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

Ordinary shares

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

(d) Top twenty shareholders as at 25/09/2012

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the ASX including the number and percentage held by those at 25 September 2012 are as follows:

Top 20 Holdings as at 25/09/2012

Holder Name	Balance	%
JIA BANG WANG	5,509,590	11.811
MERIDIEN CAPITAL LTD	5,000,000	10.718
MR YIZHEN HUANG	3,858,142	8.271
MS JENNIFER PING HUANG	3,121,603	6.692
MR JARRAD DUNN & MRS LENKA DUNN & MRS MICHELE STANTON <UNTOUCHABLE SUPERFUND A/C>	2,000,000	4.287
RED AND WHITE HOLDINGS PTY LTD <BLOOD SUPER FUND A/C>	1,471,127	3.154
WOBBLY INVESTMENTS PTY LTD	1,397,530	2.996

MERIDIEN RESOURCES LIMITED
ABN 30 131 758 177

ADDITIONAL ASX INFORMATION

1. Shareholding Continued

(d) Top twenty shareholders as at 25/09/2012

Holder Name	**Balance**	**%**
IVKOVIC HOLDINGS PTY LTD <IVKOVIC FAMILY S/FUND A/C>	1,250,000	2.680
AEGIAN PAL PTY LTD <ELPIDA SUPER FUND A/C>	1,033,960	2.216
MR BYRON SAKHA	900,000	1.929
COMMON SENSE COMPUTING PTY LTD <COMMON SENSE A/C>	833,333	1.786
MR JAMES DAVID WILLIAM TAYLOR & MRS ERIN ANN TAYLOR <TAYLOR SUPER FUND A/C>	823,335	1.765
MS THERESE-MARIE TAYLOR	676,665	1.451
COLLINS STREET GROUP LTD	500,000	1.072
DALEXT SUPERANNUATION PTY LTD <DALEXT SUPER FUND A/C>	500,000	1.072
MR GUY LANGDON COLLISON & MRS PHILIPPA BURDON COLLISON <THE COLLISON SUPER FUND A/C>	480,500	1.030
R C FISHING PTY LTD	441,239	0.946
MR MARK TETI	400,000	0.857
DIND HOLDINGS PTY LIMITED <DIND SUPER FUND A/C>	350,000	0.750
OLIVINE NOMINEES PTY LTD	350,000	0.750
	30,897,024	66.234
Total Issued Capital		**46,648,514**

2. The name of company secretary is Mr. P. Hunt (Appointed 2/09/2011)

3. The address of the principal registered office in Australia is Level 2, 139 Frome Street ADELAIDE SA 5000

4. Registers of securities are held at the following addresses:

   Boardroom Pty Limited
   Level 7,207 Kent Street
   Sydney NSW 2000
   Ph: (02) 9290 9600
   Fax: (02) 9279 0664

5. Stock exchange listing
   Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX under the code MRJ.