A1 Consolidated Gold Limited

ABN 50 149 308 921

Annual Report

30 June 2012

Contents

CORPORATE INFORMATION

A1 Consolidated Gold Limited
ABN 50 149 308 921

Directors
Ashok Parekh – Non Executive Chairman
Dennis Clark – Managing Director
Darren Russell-Croucher – Executive Director
Morrie Goodz – Non Executive Director
Jeffrey Williams – Non Executive Director
Glenn Wardle – Non-Executive Director

Joint Company Secretary
Emma Walczak
Dennis Wilkins

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C/- Herries Davidson & Co
32 Clifford Street
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Telephone : (02) 4821 1011

Principal place of business
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Telephone: (03) 5777 8125

Share register
Security Transfer Registrars Pty Ltd
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Telephone: (08) 9315 2333
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Bankers
ANZ Bank
190 Auburn Street
GOULBURN NSW 2580

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

DIRECTORS' REPORT

Your directors submit the annual financial report of A1 Consolidated Gold Limited (**Company**) for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act 2001 (Cth), the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows:

Ashok Parekh (Non-Executive Chairman)

BBus FCA, AIMM, FTIA

Mr Ashok Parekh is a chartered accountant who owns a large Accounting Practice in Kalgoorlie, which he has operated for 25 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia, and was recently awarded the Meritorious Service Award by the Institute of Chartered Accountants, the highest award granted by the Institute in Australia.

Mr Parekh has over 25 years experience in providing advice to mining companies and service providers to the mining industry. He has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region, and has been the Managing Director of some of these companies. Mr Parekh is the Executive Chairman for West Australian-based listed company, MacPhersons Resources Ltd (ASX: MRP). He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous businesses in the Goldfields.

Dennis Clark (Managing Director)

Cert Mine Manager (VIC)

Mr Dennis Clark has 38 years' experience in underground mining, with extensive knowledge of mine development, installation of surface infrastructure and treatment plants. He is the holder of a Mine Managers Certificate of Competency (Vic) and has managed and operated several narrow vein gold projects.

For the past 25 years, Mr Clark has been a mining contractor and has undertaken mine development projects in Victoria and NSW. Mr Clark has been the driving force behind the re-development of the A1 Gold Mine and is intimately familiar with the mine workings and geology.

Darren Russell-Croucher (Executive Director)

Mr Darren Russell-Croucher has over 20 years experience in the exploration, construction and development of narrow vein gold projects. He has been involved in the management teams of gold projects in Victoria and Western Australia, taking the projects from the construction phase through to production.

More recently Mr Russell-Croucher has been a partner in a contract mining company which has undertaken the installation of the surface infrastructure at the A1 Gold Mine. This was followed by approximately 1km of mechanised underground development. Mr Russell-Croucher is highly experienced in the re-vegetation and rehabilitation of disturbed areas, having worked on projects in Australia, South Eastern Asia and the South Pacific.

Morrie Goodz (Non-Executive Director)

MSc (Mining Geol), MBA, Cert Mine Manager (VIC), FAusIMM, MCanIMM

Mr Morrie Goodz is a mining geologist and a Fellow of the Australasian Institute of Mining and Metallurgy. He has 33 years industry experience including nine years experience in international mineral exploration in North America and Africa. Since 1985, he has been based in Australia with operational and strategic management roles at the A1, Morning Star, Daisy Milano and Kalgoorlie Consolidated Gold mines. Since 1987, Mr Goodz has been the Principal Consultant of Goodz GMC, providing geological and mine planning services.

Mr Goodz was responsible for the project conception and discovery of the Daisy Milano shear zone extension where, amongst other operations, he designed and constructed the current decline and underground operations to the number 12 Level at the Daisy Milano gold mine. Mr Goodz is the Managing Director for Western Australian-based listed company, MacPhersons Resources Ltd (ASX: MRP).

Mr Goodz is actively involved in promoting mining education with various professional bodies and the WA School of Mines. Mr Goodz is an active public speaker at conferences and workshops on mine design, business improvement and strategic planning.

Jeffrey Williams (Non-Executive Director)

BSc (Mining Eng), MBA, FAusIMM

Mr Jeffrey Williams is a Fellow of the Australasian Institute of Mining and Metallurgy. His mining experience ranges from mine planning, underground management and feasibility studies through to mine development. Mr Williams founded Mineral Deposits Ltd (formerly Nimbus Resources) in 1997. Whilst Mr Williams was at Mineral Deposits Ltd (1997 to June 2011), that company: negotiated with BHP to acquire the Hawks Nest mineral sand assets in 1998 and closed the operation in 2003; successfully eliminated all debt and accumulated around A$20m in cash during that period, secured a major position in a world class mineral sands project in Senegal, West Africa; made a successful tender bid for the 3.5 Moz Sabodala gold deposit in far-east Senegal in 2004; developed the US$250m Sabodala gold mine with start-up in 2009; raised approximately A$140m to commence construction of the US$516m Grande Cote zircon/ilmenite project in Senegal; and announced the merger of the Grande Cote interests with the major French industrial producer Eramet. In his time at Mineral Deposits Limited, that company raised approximately A450m via mostly institutional investors. Mr Williams is now an advisor to Mineral Deposits Limited.

Mr Williams is currently a director of the following listed companies: MacPhersons Resources Ltd; World Titanium Resources Limited; and Callabonna Uranium Ltd. In the last 3 years, Mr Williams was a director of the following listed companies: Mineral Deposits Limited and Morning Star Gold NL.

Glenn Wardle (Non-Executive Director) ***Appointed on 31 October 2011***

Mr Wardle has been in the Financial Services industry for 30 years, spending 20 years at Goldman Sachs as a Vice President and Executive Director in London, New York, Tokyo, Hong Kong and Sydney. He coordinated the start-up of the firm's memberships of the Stock Exchange of Hong Kong, the Shanghai Stock Exchange, the Korean Stock Exchange and the Australian Securities Exchange.

Mr Wardle has been actively involved in the investment industry, serving as Executive Committee Chairman of The Hong Kong Securities Industry Group Ltd (HKSIG) and serving on the User Working Group of the Steering Committee on the Enhancement of the Financial Infrastructure of Hong Kong (SCEFI). In addition, he has published articles in industry publications, served as an Advisory Board member for Thomson ESG, and completed the Harvard Business School Program for Management Development (PMD).

Mr Wardle served in the Royal Navy (Operations and Communications), was the COO of Arkaccess Asia Ltd Hong Kong from 2000 to 2001, and is currently the owner of Black Dog Traders, an Australian company trading Global Financial Futures, utilising geometric trading strategies, fundamental research and Industry standard technical trading studies.

Joint Company Secretary

Emma Walczak

LLB, BICT

Ms Emma Walczak is a lawyer specialising in corporate law with the majority of her legal experience revolved around advising companies in respect of capital raisings (including IPOs and convertible security arrangements), acquisitions, farm-in and joint venture transactions, project due diligence and reconstructions with a focus on the energy and resources sector.

Ms Walczak currently works at DWCorporate Pty Ltd as in house legal counsel advising the team on ASX Listing Rule compliance and Corporations Act compliance matters and as assistant company secretary to a number of ASX-listed companies.

Dennis Wilkins

B.Bus, AICD, ACIS

Mr Dennis Wilkins is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed resource companies for over 20 years. Mr Wilkins previously served as the Finance Director and Company Secretary for a mid tier gold producer and also spent five years working for a leading merchant bank in the United Kingdom. Resource postings to Indonesia, South Africa and New Zealand in managerial roles has broadened his international experience.

Mr Wilkins has extensive experience in capital raising specifically for the resources industry and is the principal of DWCorporate which provides advisory, funding and administrative management services to the resource sector. Mr Wilkins is a director of Key Petroleum Limited and Minemakers Limited.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
Ashok Parekh	3,333,333	5,833,331
Dennis Clark	3,333,334	37,664,334
Darren Russell-Croucher	3,000,000	37,134,333
Morrie Goodz	2,000,000	2,100,000
Jeffrey Williams	2,000,000	2,000,000
Glenn Wardle	Nil	671,667

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the year was underground evaluation of the A1 Gold Mine.

There have been no significant changes in the nature of this activity during the year.

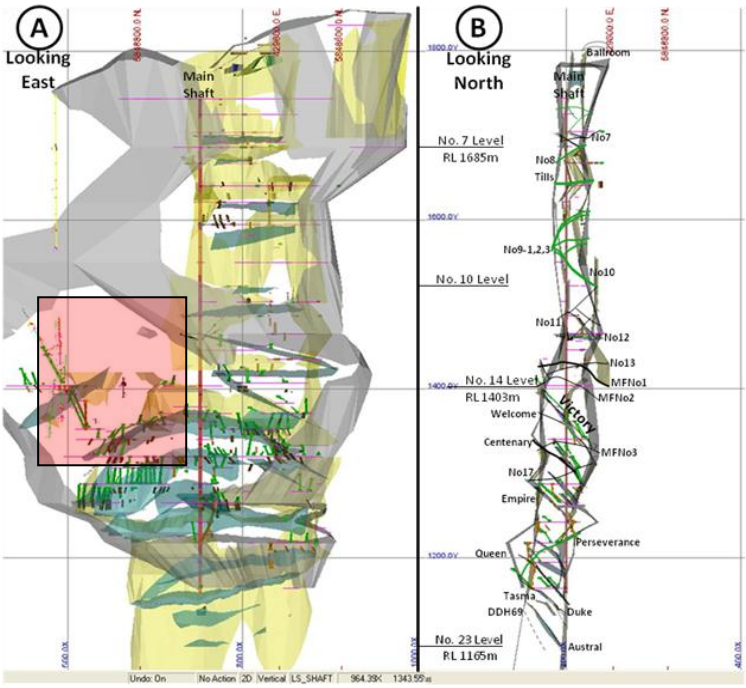
Review of operations

A1 Consolidated Gold Ltd (ASX:AYC) (the **Company**) is a junior gold exploration company focused on developing the A1 Gold Project in the Woods Point – Walhalla Goldfield located in north-eastern Victoria. The Company has also acquired two mineral tenements to the north of the A1 Gold Mine for further exploration. A1 Consolidated Gold is currently developing an underground decline to the 1400 Stockwork Zone at the A1 Gold Mine.

A1 Consolidated Gold Limited is pleased to report its activities for the year ended 30 June 2012.

The Company completed its A$8.1 million initial public offering in June 2012 and the Company's securities were listed on ASX on 21 June 2012.

Subsequent to the end of the reporting period, the Company announced a maiden JORC Mineral Resource of 133,000oz gold at the 1400 Stockwork Zone at the A1 Gold Project. Reported in accordance with the JORC Code (2004), the resource is classified as an Inferred Mineral Resource and totals **750,000 tonnes at 5.5 g/t gold for 133,000oz contained gold** (reported at a 3 g/t gold cut-off).The Company considers this a significant achievement since its ASX listing in June 2012.



(Figure is not to scale, but for illustration purposes only)

Figure 1: Long and cross-sections showing 1400 Stockwork Zone Mineral Resource in relation to veins, dyke and historical workings through Main shaft section

A1 Gold Mine (MIN5294)

- **Safety**

  There were no lost time injuries during the year.

  The Company has achieved in excess of 100,000 hours lost time injury free (LTI) as at 30 June 2012.

- **Underground Development**

  The Decline development is ongoing and at year's end was at the 1590 level.

  Lateral development of stockpiles and service cuddies have been completed every 25 vertical metres.

  The 1650 south drive was extended by 30 metres and is now complete.

  The 1625 exploration drive was developed for 80 metres and is ready for diamond drilling.

- **Mine Definition Drilling**

  The Company has purchased a new diamond drillrig and the rig has been commissioned. To date three drill holes have been completed during the commissioning of the drill rig, for a total of 253.5 metres.

- **Toll Treatment**

  A test parcel (5,500 tonnes) of development material from the 1650 Stockworks was sent for trial processing at the Maldon treatment facility at Maldon and review of this will be completed in the December quarter of 2012.

- **Current Mine Definition and Exploration Drilling**

  In addition to the Inferred Mineral Resource, A1 Consolidated Gold has commenced a program of underground diamond drilling since the listing of the company. This drilling, utilising a new compact drilling rig owned by the company, is aimed at identifying further targets, which could be developed and economically extracted as the decline is developed to the 1400 Stockworks.

Ten Mile Goldfield (EL5109 & MIN4636)

- **Acquisition**

  As part of the IPO completion, the Company has acquired a 100% interest in both EL5109 & MIN4636. An exploration work-plan is being prepared and will be submitted in the September Quarter.

- **Exploration**

  Low impact surface exploration work in conjunction with office studies will be commenced in the September Quarter. The Company will also commence compiling a data base for these two tenements.

Exploration Target

The Stockwork Zones have been identified to host a further JORC exploration target of between 5.8 to 8.4 million tonnes with a grade range of 3.0 to 11.0 g/t Au(1) (Table 1).

Table 1: Tabulated tonnage and grade ranges for exploration target

Mineralisation Area	Tonnage Range (t)		Grade Range (g/t Au)	
	From	To	From	To
Upper 1400 Stockworks	1,000,000	1,300,000	5.0	11.0
Lower 1400 Stockworks	800,000	1,000,000	3.0	9.0
Northern Extension	4,000,000	6,000,000	3.0	11.0
1650 Stockworks	70,000	100,000	5.0	11.0
Total	**5,870,000**	**8,400,000**	**3.0**	**11.0**

*Note Discrepancies in calculation numbers are affected by rounding

(1)References to exploration target size and Target Mineralisation in this release are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Morrie Goodz who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Goodz is a Director of A1 Consolidated Gold Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Goodz has given his consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information that relates to exploration and production targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs, production costs and other operating results, growth prospects and the outlook of A1 Consolidated Gold Limited's operations contain or comprise certain forward looking statements regarding A1 Consolidated Gold Limited's exploration & development operations, economic performance and financial condition. Although A1 Consolidated Gold Limited believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, mine development and operating risks, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, discrepancies between actual and estimated production, risks inherent in the ownership, exploration and operation of or investment in mining properties, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. A1 Consolidated Gold Limited undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of release or to reflect the occurrence of unanticipated events.

Operating results for the year

The operating loss after income tax of the Company for the year ended 30 June 2012 was $1,936,816 (2011: $58,697). Summarised operating results are as follows:

	2012		2011	
	Revenue	**Results**	**Revenue**	**Results**
Revenues and (loss) before income tax expense	$119,712	$(1,936,816)	$8,812	$(58,697)

Shareholder returns

There were no shareholder returns for the year ended 30 June 2012 (2011: Nil).

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

- $5,462,500 was raised from the issue of 23,083,334 ordinary shares to seed investors.
- The Company was admitted to the Official List of Australian Securities Exchange on 19 June 2012 following the Initial Public Offer which raised $8,092,729 (before costs) from the issue of 26,975,763 ordinary shares.
- 56,033,333 Shares were issued as consideration for the acquisition of mining tenements and plant and equipment.

Significant events after balance date

On 16 July 2012, the Company announced the results of a Mineral Resource estimate for the 1400 Stockwork Zone at its wholly owned A1 Gold Mine. Reported in accordance with the JORC Code (2004), the resource is classified as an Inferred Mineral Resource and totals 750,000 tonnes at 5.5g/t gold for 133,000 oz contained gold.

Likely developments and expected results

The Company expects to continue its activities at the A1 Gold Mine.

Environmental legislation

The Company's operations must be conducted in accordance with the Mineral Resources (Sustainable Development) Act 1990 (**MRSDA**). To the best of the directors' knowledge, the Company has complied with the MRSDA.

As part of the process for obtaining a registered mine plan under the MRSDA, there is a section on Environmental Management which requires the following matters to be addressed:

- cultural heritage management;
- surface and groundwater management;
- air blast and vibration;
- noise;
- dust;
- waste management;
- recording of data; and
- monitoring program.

The Company has complied with all of the above mentioned requirements in accordance with the registered mine plan.

Indemnification and insurance of Directors and Officers

The Company has agreed, by entering into deeds of access, indemnity and insurance with each of the directors and the Company Secretary, to indemnify all the directors of the Company for any liabilities to another person (other than the

Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities (if any), except where the liability arises out of conduct involving a lack of good faith.

During or since the financial year, the company has paid premiums insuring all the directors and the Company Secretary of A1 Consolidated Gold Limited against costs incurred in defending proceedings for conduct involving:

a) a wilful breach of duty; or
b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid was $7,700.

Remuneration report

This report outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2012. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Remuneration Policy

The Remuneration Committee consists of Mr Glenn Wardle as Chairman, Mr Dennis Clark and Mr Ashok Parekh. The remuneration policy of A1 Consolidated Gold Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of A1 Consolidated Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. The board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

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

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

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using an option pricing methodology depending on the terms of the options.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000). 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

The employment agreements the Company has entered into with the executive directors allows for the payment of bonuses as determined by the board from time to time. No bonus payments were made during the year ended 30 June 2012.

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

No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the infant stage of the Company's operations.

The table below shows the gross revenue, losses and earnings per share for the last two years for the listed entity.

	2012	**2011**[(i)]
Revenue	$119,712	$8,812
Net loss	$(1,936,816)	$(58,697)
Loss per share (cents)	(0.0371)	(0.0027)
Share price at year end (cents)	26.5	N/A

(i) Period of February 2011 to 30 June 2011. The Company was not listed as at 30 June 2011

No dividends have been paid.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2012.

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Company are set out in the following table. The key management personnel of the Company include the directors as set out on pages 3 to 4.

Given the size and nature of operations of the Company, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel of the Company

	Short-Term	**Post Employment**	**Share-based Payments**	**Total**	**Percentage Performance Related**
	Salary & Fees	Superannuation	Options		
	$	**$**	**$**	**$**	**%**
Directors					
Ashok Parekh					
2012	**-**	**-**	309,782	309,782	-
Dennis Clark					
2012	**-**	**-**	309,782	309,782	-
Darren Russell-Croucher					
2012	**-**	**-**	278,804	278,804	-
Morrie Goodz					
2012	-	-	185,869	185,869	-
Jeffrey Williams					
2012	-	-	185,869	185,869	-
Glenn Wardle (appointed 31 October 2011)					
2012	-	-	-	-	-
Total key management personnel compensation					
2012	**-**	**-**	1,270,106	1,270,106	-

For the financial period ended 30 June 2011, no directors or key management personnel were paid any remuneration for their services given the early stages of the Company.

Employment Contracts

Details of employment contracts currently in place with respect to the Directors' engagement with the Company are as follows:

Dennis Clark, Managing Director

- Term of agreement is 4 years from conditional approval for quotation by ASX (19 June 2012), unless otherwise terminated in accordance with the agreement.
- Annual salary of $270,000 plus statutory superannuation, a reasonable vehicle allowance, and a performance based cash bonus as determined by the board from time to time.
- Either party may terminate the agreement without cause by providing the other party no less than three months notice in writing. Where the Company terminates the agreement without cause or the Managing Director terminates the agreement by reason of non-payment of funds due to the Managing Director for a period of 30 days or more or a material breach of the Company which remains un-remedied for a period of 14 business days after written notice is provided by the Managing Director, the Managing Director shall have no entitlement to any termination payment related to the unexpired term of the agreement unless shareholder approval is obtained (where required) in accordance with section 200B of the Corporations Act.

Darren Russell-Croucher, Technical Director

- Term of agreement is 4 years from conditional approval for quotation by ASX (19 June 2012), unless otherwise terminated in accordance with the agreement.
- Annual salary of $220,000 plus statutory superannuation, a reasonable vehicle allowance, and a performance based cash bonus as determined by the board from time to time.
- Either party may terminate the agreement without cause by providing the other party no less than three months' notice in writing. Where the Company terminates the agreement without cause or the Technical Director terminates the agreement by reason of non-payment of funds due to the Technical Director for a period of 30 days or more or a material breach of the Company which remains un-remedied for a period of 14 business days after written notice is provided by the Technical Director, the Technical Director shall have no entitlement to any termination payment related to the unexpired term of the agreement unless shareholder approval is obtained (where required) in accordance with section 200B of the Corporations Act.

Share-based compensation

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of A1 Consolidated Gold Limited to increase goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

The following options were granted to key management personnel during the year; there were no options forfeited during the year:

	Grant Date	Granted Number	Vested Number	Date Vesting and Exercisable	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)(1)	Exercised Number	% of Remun-eration
Directors									
Ashok Parekh	23/11/2011	3,333,333	3,333,333	23/11/2011	31/12/2014	40	9.3	Nil	100%
Dennis Clark	23/11/2011	3,333,334	3,333,334	23/11/2011	31/12/2014	40	9.3	Nil	100%
Darren Russell-Croucher	23/11/2011	3,000,000	3,000,000	23/11/2011	31/12/2014	40	9.3	Nil	100%
Morrie Goodz	23/11/2011	2,000,000	2,000,000	23/11/2011	31/12/2014	40	9.3	Nil	100%
Jeffrey Williams	23/11/2011	2,000,000	2,000,000	23/11/2011	31/12/2014	40	9.3	Nil	100%

(1) The value at grant date in accordance with AASB 2: Share Based Payments of options granted during the year as part of remuneration. For options granted during the current year, the valuation inputs were as follows:

	Underlying Share Price (cents)	Exercise Price (cents)	Risk Free Rate of Return	Discount for lack of marketability	Volatility	Valuation Date	Expiration Date
Directors	30	40	3.09%	30%	75%	23/11/2011	31/12/2014

End of remuneration report

Directors' Meetings

The directors held one board meeting for the year ended 30 June 2012. The attendance of directors at meetings of the board were:

	A	B
Ashok Parekh	1	1
Dennis Clark	1	1
Darren Russell-Croucher	1	1
Morrie Goodz	1	1
Jeffrey Williams	1	1
Glenn Wardle (appointed 31 October 2011)	0	0

A: Number of meetings attended.

B: Number of meetings held during the time the director held office during the year.

Proceedings on behalf of the Company

There were no proceedings on behalf of the Company.

Shares under option

At the date of this report there are 26,666,667 unissued ordinary shares in respect of which options are outstanding.

		Number of options
Balance at the beginning of the year		-
Movements of share options during the year:		
Issued, exercisable at 40 cents, on or before 31 December 2014		26,666,667
Total number of options outstanding as at 30 June 2012		**26,666,667**
Movements subsequent to the reporting date:		Nil
Total number of options outstanding as at the date of this report		**26,666,667**
The balance is comprised of the following:		
Expiry date	**Exercise price (cents)**	**Number of options**
31 December 2014	40	26,666,667
Total number of options outstanding at the date of this report		**26,666,667**

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

There have been no ordinary shares issued by the Company during or since the end of the financial period as a result of the exercise of an option.

There are no unpaid amounts on the shares issued.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, HLB Mann Judd, or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

HLB Mann Judd received or are due to receive the following amounts for the provision of non-audit services:

	2012 $	2011 $
Investigating Accountant's Report for IPO prospectus	16,500	-

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 13 and forms part of this directors' report for the year ended 30 June 2012.

Signed in accordance with a resolution of the directors.

Dennis Clark
Managing Director
Goulburn, New South Wales
26 September 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of A1 Consolidated Gold Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

This declaration is in respect of A1 Consolidated Gold limited.

Perth, Western Australia
26 September 2012

L DI GIALLONARDO
Partner, HLB Mann Judd

CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) create an environment for employees, other contributors and stakeholders which engenders trust, confidence, faith, loyalty and dedication to the interests and affairs of the Company;

(b) increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and

(c) ensure the Company is properly managed and operated with integrity.

Consistent with these goals, the Board assumes the following responsibilities:

(a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;

(b) ensuring the Company is properly managed;

(c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(d) approving the annual budget;

(e) monitoring the financial performance of the Company;

(f) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

(g) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;

(h) liaising with the Company's external auditors and Audit Committee (where there is a separate Audit Committee); and

(i) monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, social responsibility, cultural heritage and occupational health and safety.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In determining whether or not directors are independent, the Board applies the criteria as set out in the ASX recommendations.

Where the Chair is not an independent director, the Company will appoint an independent director (or a director who does not have a conflict of interest) to take over the role of the Chair when the Chair is unable to act in that capacity as a result of his or her lack of independence.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that gold exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The board has adopted the revised ASX Recommendations and the following table sets out the Company's present position in relation to each of the revised Principles.

	ASX Principle	Status	Reference/comment
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	**A**	The Company's Corporate Governance Manual includes a Board Charter, which discloses the specific responsibilities of the Board.
1.2	Companies should disclose the process for evaluating the performance of senior executives	**N/A**	At the time of adoption of the Corporate Governance & Policies Manual the Company only employed two executives, being the Managing Director and Technical Director. No formal process has been adopted for evaluating performance of senior executives however the Board will monitor the performance of the Managing Director and Technical Director against meeting the Company's strategic objectives. The Company has a Remuneration Policy which establishes a Remuneration Committee to review and make decisions in relation to senior executive remuneration and incentive policies. The Board concurs with the full implementation of this Principle and will review appropriate ways of compliance as and when further senior executives are engaged.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	**A**	
Principle 2:	**Structure the board to add value**		
2.1	A majority of the board should be independent directors	**N/A**	The board comprises six directors, one of whom is independent (Mr Glenn Wardle is classified as an independent director). The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chair should be an independent director	**N/A**	The Chair, Ashok Parekh, is not an independent director, however, given the nature and stage of the Company's development, the Board considers this to be appropriate.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	**A**	
2.4	The board should establish a nomination committee	**A**	The Nomination Committee is comprised of the full board. A copy of the Nomination Committee Charter is available on the Company's website. The Nomination Committee has not met during the reporting period, however all matters that might properly be dealt with by the Nomination Committee are subject to regular scrutiny at full board meetings.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	**A**	This is disclosed in the Nomination Committee Charter which can be accessed from the Company's website.

	ASX Principle	Status	Reference/comment
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	A	The skills and experience of Directors are set out in the Company's Annual Report (Directors' Report) and on its website. The Corporate Governance Manual, which includes the Nomination Committee Charter, is posted on the Company's website.
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code	A	The Company's Corporate Governance Manual includes a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them	N/A	The Company has established a Diversity Policy, however, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	N/A	Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	A	The Company has one female member of the senior executive team, Ms Emma Walczak the Company Secretary.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	A	The Corporate Governance Manual, which includes the Code of Conduct and Diversity Policy, is posted on the Company's website.
Principle 4:	**Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee	A	The Audit Committee has not met during the reporting period, however all matters that might properly be dealt with by the Audit Committee are subject to regular scrutiny at full board meetings.
4.2	The audit committee should be structured so that it:		
	• consists only of non-executive directors	A	
	• consists of a majority of independent directors	N/A	The Company has established an Audit Committee which consists of three non-executive directors, only one of which is independent.
	• is chaired by an independent chair, who is not chair of the board	A	
	• has at least three members	A	
4.3	The audit committee should have a formal charter	A	The Audit Committee operates under the Audit Committee Charter which lists the main responsibilities of the Committee and is available on the Company's website.

	ASX Principle	Status	Reference/comment
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	**A**	
Principle 5:	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	**A**	The Company has adopted a Continuous Disclosure Policy which can be accessed from the Company's website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	**A**	
Principle 6:	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	**A**	The Company has a Shareholder Communication Policy. The Policy specifically encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals and outlines the various ways in which the Company communicates with shareholders. The Shareholder Communication Policy can be downloaded from the Company's website.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	**A**	
Principle 7:	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	**A**	
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	**N/A**	Management has not reported to the Board as to the effectiveness of the Company's management of its material business risks given the early stages of the Company and its operations. Whilst the Board recognises the benefit of the discipline of documenting such matters, the Board has deployed its resources to other endeavours in priority to the preparation of a written report on the matter of risk given the Company has risk management procedures in place and the board has 2 executive directors who are supported by the Company Secretary which are well versed in the day to day affairs of the Company and know what measures are in place.

	ASX Principle	Status	Reference/comment
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	**A**	Assurance received.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	**A**	
Principle 8:	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee	**A**	A Remuneration Committee has been formed with the remuneration policy available on the Company's website. The Remuneration Committee has not met during the reporting period, however all matters that might properly be dealt with by the Remuneration Committee are subject to regular scrutiny at full board meetings.
8.2	The remuneration committee should be structured so that it:		
	• consists of a majority of independent directors	**N/A**	The Company has established a Remuneration Committee consisting of one executive director and two non-executive directors, one of whom is classified as independent.
	• is chaired by an independent chair	**A**	
	• has at least three members.	**A**	
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	**A**	Refer to the Remuneration Report in the Company's Annual Report.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	**A**	

A = Adopted

N/A = Not adopted

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
Interest income	2a	119,712	8,812
Accounting and taxation services		(32,900)	(2,550)
Auditor's remuneration	20	(23,600)	(15,000)
Company secretary fees		(37,490)	(22,395)
Consulting fees		(20,788)	-
Depreciation expense		(13,215)	(1,197)
Finance costs	2b	(4,270)	(1,001)
Insurance		(38,262)	(10,116)
Legal fees		(4,887)	(12,954)
Computer and internet expenses		(11,793)	(1,604)
Mining tenement expenses		(9,065)	-
Other expenses		(1,567)	(692)
Share based payment expense	14	(1,858,691)	-
Loss before income tax expense		(1,936,816)	(58,697)
Income tax expense	3	-	-
Loss for the year		(1,936,816)	(58,697)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,936,816)	(58,697)
Basic and diluted loss per share (cents per share)	4	(0.0371)	(0.0027)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
Current Assets			
Cash and cash equivalents	5	8,201,107	913,540
Trade and other receivables	6	406,199	134,821
Other	7	53,571	91,269
Total Current Assets		8,660,877	1,139,630
Non-Current Assets			
Plant and equipment	8	2,324,579	56,322
Exploration and evaluation assets	9	21,734,864	1,112,390
Other	7	159,000	-
Total Non-Current Assets		24,218,443	1,168,712
Total Assets		32,879,320	2,308,342
Current Liabilities			
Trade and other payables	10	2,042,583	397,880
Borrowings	11	40,875	30,011
Total Current Liabilities		2,083,458	427,891
Total Liabilities		2,083,458	427,891
Net Assets		30,795,862	1,880,451
Equity			
Issued capital	12	30,932,684	1,939,148
Reserves	13	1,858,691	-
Accumulated losses	13	(1,995,513)	(58,697)
Total Equity		30,795,862	1,880,451

The accompanying notes form part of these financial statements.

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

	Notes	Issued Capital $	Accumulated Losses $	Share Based Payments Reserve $	Total Equity $
Balance as at 1 July 2011		**1,939,148**	**(58,697)**	**-**	**1,880,451**
Total comprehensive loss for the year		-	(1,936,816)	-	(1,936,816)
Shares issued during the year net of costs	12	28,993,536	-	-	28,993,536
Share-based payment expense	14	-	-	1,858,691	1,858,691
Balance at 30 June 2012		**30,932,684**	**(1,995,513)**	**1,858,691**	**30,795,862**
Balance as at 14 February 2011		**-**	**-**	**-**	**-**
Total comprehensive loss for the period		-	(58,697)	-	(58,697)
Shares issued during the period	12	1,939,148	-	-	1,939,148
Balance at 30 June 2011		**1,939,148**	**(58,697)**	**-**	**1,880,451**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(364,047)	(156,224)
Interest received		116,042	4,716
Finance costs		(3,681)	(875)
Net cash (used in) operating activities	5(ii)	(251,686)	(152,383)
Cash flows from investing activities			
Purchase of non-current assets		(354,549)	(57,519)
Exploration and evaluation expenditure		(4,214,736)	(788,368)
Loan to related party for environmental bond		(109,000)	-
Payment of bond		(50,000)	-
Net cash (used in) investing activities		(4,728,285)	(845,887)
Cash flows from financing activities			
Proceeds from issue of shares		13,555,228	1,939,148
Payments for share issue and listing costs		(1,303,096)	(57,349)
Proceeds from borrowings		54,560	40,075
Repayment of borrowings		(39,154)	(10,064)
Net cash provided by financing activities		12,267,538	1,911,810
Net increase in cash and cash equivalents		7,287,567	913,540
Cash and cash equivalents at beginning of year		913,540	-
Cash and cash equivalents at end of year	5(i)	8,201,107	913,540

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the periods presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in the state of Victoria. The entity's principal activity is evaluation and development of the A1 Gold Mine.

(b) Comparative figures

The company was incorporated on 14 February 2011. Accordingly the comparative figures in the Statements of Comprehensive Income, Changes in Equity and Cash Flows cover the period from 14 February 2011 to 30 June 2011.

(c) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of any new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(d) Statement of compliance

The financial report was authorised for issue on 26 September 2012.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Critical accounting estimates and judgements (continued)

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 14.

Exploration and evaluation costs carried forward

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which 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.

(f) Segment reporting

Since incorporation the Company has been engaged in the minerals industry at one location in Victoria and accordingly there are currently no separate segments to the Company's operations.

(g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The main revenue is interest received which is recognised on an accrual basis.

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

No deferred tax assets have been recognised and included as an asset because recovery is not considered probable in the next few years.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(j) Impairment of assets

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

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

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

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade and other receivables are stated at their cost. At year end they represented refunds due for Goods & Services Tax and other taxes due for settlement approximately 30 days after lodgement of returns, accrued interest receivable and various refunds due to the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Motor vehicles – over 8 years

Office equipment – over 3 to 10 years

Plant & equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(n) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial assets (continued)

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(o) Impairment of financial assets

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and that Company of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(q) Interest-bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(r) Share-based payment transactions

(i) Equity settled transactions:

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, further details of which are given in Note 14.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of A1 Consolidated Gold Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity on the date on which the relevant employees become fully entitled to the award.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 4).

Where the company acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share based payment transactions, the fair value of the equity instruments granted is measured at the grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

(s) Issued capital

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

(t) Earnings per share

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

Diluted earnings per share is calculated as net profit or loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(v) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

(w) Development expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 2: REVENUE AND EXPENSES

	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
(a) Revenue		
Other revenue		
Bank interest received	119,712	8,812
	119,712	8,812
(b) Expenses		
Consulting	20,788	-
Finance costs		
Interest expense	3,681	875
Bank charges	589	126
	4,270	1,001

NOTE 3: INCOME TAX

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
Accounting loss before income tax	(1,936,816)	(58,697)
Income tax expense / (benefit) calculated at 30%	(581,045)	(17,609)
Add / (Less) tax effect of:		
Share based payments	557,607	-
Unused tax losses not recognised as deferred tax asset	6,975,714	358,023
Other deferred tax assets and tax liabilities not recognised	(6,952,276)	(340,414)
Income tax expense reported in the statement of comprehensive income	-	-

a) Unrecognised deferred tax balances:

The following deferred tax assets and liabilities have not been brought to account:

	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
Deferred tax assets comprise:		
Losses available for offset against future taxable income – revenue	7,333,737	358,023
Business related costs	328,120	16,904
Accrued expenses and liabilities	4,500	4,500
	7,666,357	379,427
Deferred tax liabilities comprise:		
Depreciation timing differences	697,373	16,896
Exploration expenditure capitalised	6,514,459	327,717
Accrued interest	1,970	-
	7,213,802	344,613

b) Unrecognised deferred tax assets in equity during the year:

	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
Share-issue costs	394,303	17,204

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: LOSS PER SHARE

	Year to 30 June 2012	14 Feb 2011 to 30 June 2011
	Cents per share	Cents per share
Basic and diluted loss earnings per share	(0.0371)	(0.0027)

Basic and diluted loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	$	$
Earnings (loss) (refer (i))	(1,936,816)	(58,697)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	52,207,413	22,025,577

(i) Earnings used in the calculation of total basic and diluted earnings per share equals the net loss in the statement of comprehensive income as no adjustments were required.

(ii) The weighted average number of ordinary shares for the purposes of diluted loss per share equals the weighted average number of ordinary shares used in the calculation of basic earnings per share as no adjustments were required.

(iii) The following potential ordinary shares are not dilutive and are therefore excluded from the calculation in (ii) above:

	Number	Number
Options to purchase ordinary shares	26,666,667	-
Shares that would be issued upon satisfaction of conditions resulting from contractual arrangements. Refer Note 16.	-	53,033,333
	26,666,667	53,033,333

(iv) The Company has not issued any shares since the end of the reporting period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 5: CASH AND CASH EQUIVALENTS

	2012 $	2011 $
Cash at bank and on hand	78,601	242,668
Short-term deposits	8,122,506	670,872
	8,201,107	913,540

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

(i) Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	8,201,107	913,540
	8,201,107	913,540

	Year to 30 June 2012 $	14 Feb 2011 to 30 June 2011 $
(ii) Reconciliation of loss for the year to net cash flows used in operating activities:		
(Loss) for the year	(1,936,816)	(58,697)
Non-cash flows in loss:		
Depreciation	13,215	1,197
Equity settled share based payment	1,858,691	-
Change in net assets and liabilities:		
(Increase) in assets:		
Current receivables	(247,647)	(134,821)
Other current assets	(19,650)	(33,920)
Increase in liabilities:		
Current payables	80,521	73,858
Net cash used in operating activities	(251,686)	(152,383)
(iii) Non-cash investing activities:		
Acquisition of mining tenements and plant and equipment via the issue of shares	16,810,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: CURRENT TRADE AND OTHER RECEIVABLES

	2012 $	2011 $
GST recoverable	372,287	130,725
Other receivables	33,912	4,096
	406,199	134,821

NOTE 7: OTHER ASSETS

	2012 $	2011 $
Current		
Prepayments	53,571	33,920
Prepaid capital raising costs	-	57,349
	53,571	91,269
Non-Current		
Unsecured loan to related party (Note 17)	109,000	-
Treatment bond	50,000	-
	159,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 8: PLANT AND EQUIPMENT

	2012 $	2011 $
Plant and equipment		
Plant and equipment – at cost	2,173,156	8,012
Accumulated depreciation	(41,791)	(399)
Net carrying amount	2,131,365	7,613
Office equipment		
Office equipment – at cost	96,322	49,507
Accumulated depreciation	(14,013)	(798)
Net carrying amount	82,309	48,709
Motor vehicles		
Motor vehicles – at cost	111,690	-
Accumulated depreciation	(785)	-
Net carrying amount	110,905	-
Total plant and equipment net carrying amount	**2,324,579**	**56,322**
Reconciliation of plant and equipment		
Carrying amount at 1 July 2011	7,613	-
Additions	2,165,144	8,012
Depreciation	(41,392)	(399)
Carrying amount at 30 June 2012	2,131,365	7,613
Reconciliation of office equipment		
Carrying amount at 1 July 2011	48,709	-
Additions	46,815	49,507
Depreciation	(13,215)	(798)
Carrying amount at 30 June 2012	82,309	48,709
Reconciliation of motor vehicles		
Carrying amount at 1 July 2011	-	-
Additions	111,690	-
Depreciation	(785)	-
Carrying amount at 30 June 2012	110,905	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 9: EXPLORATION AND EVALUATION ASSETS

	2012 $	2011 $
Costs carried forward in respect of:		
Exploration and evaluation phases – at cost		
Balance at beginning of year	1,112,390	-
Expenditure incurred	20,622,474	1,112,390
Total exploration and evaluation assets	21,734,864	1,112,390

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 10: TRADE AND OTHER PAYABLES

	2012 $	2011 $
Trade payables (i)	65,640	24,956
Accrued expenses	239,860	16,500
Related party payables (ii)	1,737,083	356,424
	2,042,583	397,880

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
(ii) Related party payables are unsecured, interest free and settlement occurs in cash. Refer Note 17.

NOTE 11: BORROWINGS

	Interest Rate	Maturity	2012 $	2011 $
Unsecured				
Insurance premium funding	7.75%	31/03/2013	40,875	30,011
Total unsecured borrowings			40,875	30,011

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: ISSUED CAPITAL

	2012 $	2011 $
138,208,921 Ordinary shares issued and fully paid (2011 – 32,116,491)	30,932,684	1,939,148

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll one vote for each fully paid share and a fraction of one vote for each partly paid up share.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2012		2011	
	No.	$	No.	$
Movement in ordinary shares on issue				
Balance at beginning of financial year	32,116,491	1,939,148	-	-
Shares issued during the year for cash				
February 2011	-	-	1,000	1,000
March 2011	-	-	16,001,000	481,000
April 2011	-	-	7,900,001	345,000
May 2011	-	-	6,281,157	942,148
June 2011	-	-	1,933,333	170,000
August 2011	2,333,334	350,000	-	-
September 2011	4,083,333	612,500	-	-
October 2011	3,166,667	475,000	-	-
November 2011	13,333,333	4,000,000	-	-
February 2012	166,667	25,000	-	-
June 2012 – Initial Public Offering	26,975,763	8,092,729	-	-
Shares issued as consideration for acquisition of mining tenements and plant and equipment				
June 2012	56,033,333	16,810,000	-	-
Share issue costs	-	(1,371,693)	-	-
Balance at end of financial year	138,208,921	30,932,684	32,116,491	1,939,148

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: ISSUED CAPITAL (continued)

	2012		2011	
	No.	$	No.	$
Movement in options over ordinary shares on issue:				
At start of year	-	-	-	-
November 2011 *	20,000,000	1,858,691	-	-
January 2012 **	6,666,667	-	-	-
At end of year	26,666,667	1,858,691	-	-

* These options were issued to management as disclosed in Note 14.

** These options were free attaching options issued as part of the November 2011 capital raising.

All options are exercisable at 40 cents on or before 31 December 2014.

NOTE 13: ACCUMULATED LOSSES AND RESERVES

Movements in accumulated losses and reserves were as follows:

	2012 $	2011 $
Accumulated losses		
Balance at beginning of financial year	(58,697)	-
Net loss for the year	(1,936,816)	(58,697)
Balance at end of financial year	(1,995,513)	(58,697)
Share based payments reserve		
Balance at beginning of financial year	-	-
Recognition of share based payments	1,858,691	-
Balance at end of financial year	1,858,691	-

The share based payments reserve is used to record the value of equity benefits provided to directors and employees as part of their remuneration and to other parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 14 : SHARE BASED PAYMENT PLANS

On 23 November 2011, the Company issued 20,000,000 unlisted options over ordinary shares to the Company's management and other parties. These options are exercisable at 40 cents on or before 31 December 2014, and have been valued at $1,858,691 using the Black & Scholes option pricing model based on the following assumptions:

- Underlying value of shares 30 cents
- Exercise price 40 cents
- Risk free rate of return 3.09%
- Volatility factor 75%
- Discount for lack of marketability 30%

For details of options issued to key management personnel, refer to Note 21 Directors and Executive Disclosures.

Employee Share Option Plan

The Board has adopted an employee share option plan which it believes will provide employees with the opportunity to participate in the success of the Company and encourage employees to actively participate in growing the wealth of the Company for the benefit of all shareholders. When issued each Employee Option shall entitle the optionholder to acquire one fully paid ordinary share upon payment of the exercise price specified in the offer. The exercise price will be not less than 80% of the average closing sale price of the Company's share on ASX over the five days immediately preceding the date of the offer.

The Employee Options will not be listed on ASX. Application will be made for official quotation of the shares issued upon exercise of the Employee Options.

As at 30 June 2012 no Employee Options had been issued.

NOTE 15: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital to maintain a low debt to equity ratio and ensure that the Company will be able to continue as a going concern. This strategy has remained unchanged since 2011.

The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising issued capital and reserves reduced by accumulated losses.

There are no externally imposed capital requirements.

(b) Categories of financial instruments

	2012 $	2011 $
Financial assets		
Cash and cash equivalents	8,201,107	913,540
Receivables	406,199	134,821
Unsecured loan to related party	109,000	-
Treatment Bond	50,000	-
Total financial assets	8,766,306	1,048,361
Financial liabilities		
Trade and other payables	2,042,583	397,880
Borrowings	40,875	30,011
Total financial liabilities	2,083,458	427,891

All the above financial assets and liabilities are carried at amortised cost and the carrying amount is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: FINANCIAL INSTRUMENTS (continued)

(c) Financial risk management objectives

The Company is exposed to credit risk, liquidity risk and interest rate risk as a normal course of the Company's business.

i) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The credit risk of liquid funds is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies. Apart from credit risk on liquid funds the Company does not have any significant risk exposure to any single counterparty or any group of counterparties having similar characteristics.

ii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows.

The contractual maturity for the Company's financial liabilities, including estimated interest payments, is as follows:

2012	**Less than 1 Month $**	**1 – 3 Months $**	**3 Months – 1 Year $**	**1 – 5 Years $**	**5+ Years $**
Non-interest bearing	78,837	1,958,246	5,500	-	-
Fixed interest rate instruments	4,894	9,788	29,361	-	-
	83,731	1,968,034	34,861	-	-
2011					
Non-interest bearing	24,956	367,424	5,500	-	-
Fixed interest rate instruments	3,626	7,252	21,758	-	-
	28,582	374,676	27,258	-	-

iii) Interest Rate Risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2012 $ Carrying Amount	2011 $ Carrying Amount
Variable rate instruments		
Financial assets	8,196,768	670,872
Fixed rate instruments		
Financial liabilities	40,875	30,011

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined on the exposure to interest rates for non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net loss would decrease by $40,984 and increase by $40,984 (2011: $3,354). There would be no effect on equity reserves (2011: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16: COMMITMENTS AND CONTINGENCIES

Exploration commitments

Future minimum commitments in relation to exploration and mining tenements as at the balance date are as follows:

Payable	2012 $	2011 $
Within one year	130,400	130,400
After one but no more than five years	303,000	433,400
More than five years	-	-
	433,400	563,800

Contingencies

There are no contingencies as at 30 June 2012.

As at 30 June 2011 the Company had entered into 3 option agreements for the acquisition of mining tenements. Following the successful initial public offering of its shares and listing on the official list of the ASX the Company has acquired the mining tenements by the issue of 56,033,333 shares at the issue price of $0.30 per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 17: RELATED PARTY DISCLOSURE

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Related party		Income from Related Parties $	Expenditure Related Parties $	Amounts Owed by Related parties $	Amounts Owed to Related parties $
Entities with significant influence over the Company:					
Gaffney's Creek Gold Mine Pty Limited	2012	-	-	109,000	-
	2011	-	-	-	-

Gaffney's Creek Gold Mine Pty Limited owns 24.12% of the ordinary shares in A1 Consolidated Gold Limited (2011: Nil%).

During the year, pursuant to the Mining Asset Sale Agreement, the Company issued 33,333,333 ordinary shares at an issue price of $0.30 per share to Gaffney's Creek Gold Mine Pty Limited for a total consideration of $10,000,000 for the acquisition of mining tenement rights.

The Company advanced $109,000 as a rehabilitation bond in respect to mining tenements previously owned by Gaffney's Creek Gold Mine Pty Limited. This bond will be transferred to the Company on finalisation of the transfer of the mining tenements to the Company.

Other related parties

All mining and related services used by the Company were purchased from A1 Consolidated Mining Pty Ltd. Mr D Clark and Mr D Russell-Croucher, directors of A1 Consolidated Gold Limited, have a significant influence over A1 Consolidated Mining Pty Ltd	2012	-	5,633,115	-	1,729,651
	2011	-	1,109,446	-	356,424
Preparation of geological documentation was supplied by Goodz & Associates GMC Pty Ltd. Mr M D Goodz, a director of A1 Consolidated Gold Limited, has control of Goodz & Associates GMC Pty Ltd	2012	-	25,855	-	-
	2011	-	18,182	-	-
Company secretarial services were supplied by DW Corporate Pty Ltd. Mr D Wilkins is a principal and Ms E G Walczak, is an employee of DW Corporate Pty Ltd. They act as joint Company Secretaries of A1 Consolidated Gold Limited.	2012	-	186,222	-	7,432
	2011	-	22,395	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 18: RELATED PARTY DISCLOSURE (continued)

Terms and conditions of transactions with related parties

Purchases from related parties are made at arm's length and at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

Other than the following the directors are not aware of any significant events since the end of the reporting period.

On 16th July 2012 the Company announced the results of a Mineral Resource estimate for the 1400 Stockwork Zone at its wholly owned A1 Gold Mine. Reported in accordance with the JORC Code (2004), the resource is classified as an Inferred Mineral Resource [1,2] and totals:

750,000 tonnes at 5.5g /t gold for 133,000 oz contained gold

In addition to the Inferred Mineral Resource, the Company has commenced a program of underground diamond drilling aimed at identifying further targets, which could be developed and economically extracted as the decline is developed to the 1400 Stockworks.

(1) Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration at this date to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource, as there is insufficient close-spaced drill hole data to adequately define grade and geological continuity for this structurally complex deposit. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category or to Ore Reserves.

(2) Tonnage is reported in metric tonnes, grade as grams per tonne gold (g/t gold) and contained gold in troy ounces (oz gold). Total tonnes have been rounded to the nearest 5000 tonnes and ounces to the nearest 1000 oz. The grade is rounded to the nearest 0.5 g/t gold to indicate the accuracy of the estimate. The most likely cut-off grade for this deposit is not known and will need to be confirmed by the appropriate economic studies, but is provisionally considered to be 3 g/t gold.

NOTE 20: AUDITOR'S REMUNERATION

The auditor of A1 Consolidated Gold Limited is HLB Mann Judd.

	2012 $	2011 $
Amounts received or due and receivable by HLB Mann Judd for:		
Audit of the financial statements	15,000	15,000
Review of half yearly financial statements	8,600	-
All other services – Investigating accountant's report for the prospectus	16,500	-
	40,100	15,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of Key Management Personnel

Directors

A A Parekh	Chairman (non-executive)
D J Clark	Managing Director
M D Goodz	Director (non-executive)
D Russell-Croucher	Director (executive)
G L Wardle	Director (non-executive) – appointed 31 October 2011
J W Williams	Director (non-executive)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

(b) Option holdings of Key Management Personnel

30 June 2012	Opening balance	Granted as remuneration	Options exercised	Net change Other #	Closing balance	Balance vested at 30 June	Vested but not exercisable	Vested and exercisable	Options vested during year
Directors									
A A Parekh	-	3,333,333	-	-	3,333,333	3,333,333	-	3,333,333	3,333,333
D J Clark	-	3,333,334	-	-	3,333,334	3,333,334	-	3,333,334	3,333,334
M D Goodz	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
D Russell-Croucher	-	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000	3,000,000
G L Wardle	-	-	-	-	-	-	-	-	-
J W Williams	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Total	-	13,666,667	-	-	13,666,667	13,666,667	-	13,666,667	13,666,667

 # Includes forfeitures

No options were issued by the Company as at 30 June 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Shareholdings of Key Management Personnel

Ordinary shares held in A1 Consolidated Gold Limited

30 June 2012	Opening balance	Granted as remuneration	On exercise of options	Net change other	Closing balance	Balance held nominally
Directors						
A A Parekh	3,833,333	-	-	1,799,998	5,633,331	-
D J Clark (i)	3,501,001	-	-	34,143,333	37,644,334	3,501,001
M D Goodz	2,000,000	-	-	100,000	2,100,000	-
D Russell-Croucher (i)	3,001,000	-	-	34,133,333	37,134,333	3,001,000
G L Wardle	-	-	-	671,667	671,667	-
J W Williams	2,000,000	-	-	-	2,000,000	-
	14,335,334	-	-	70,848,291	85,183,665	6,502,001
30 June 2011						
Directors						
A A Parekh	-	-	-	3,833,333	3,833,333	-
D J Clark	-	-	-	3,501,001	3,501,001	3,501,001
M D Goodz	-	-	-	2,000,000	2,000,000	-
D Russell-Croucher	-	-	-	3,001,000	3,001,000	3,001,000
J W Williams	-	-	-	2,000,000	2,000,000	-
	-	-	-	14,335,334	14,335,334	6,502,001

(i) Shareholdings include 33,333,333 ordinary shares held by Gaffney's Creek Gold Mine Pty Limited which is wholly owned by the A1 Consolidated Unit Trust (A1 Unit Trust). A1 Unit Trust has 10 unitholders, each holding a 10% interest and Mr Clark and Mr Russell-Croucher are unitholders and directors of its Trustee company, A1 Consolidated Pty Limited.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

(d) Other transactions and balances with Key Management Personnel

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 17 Related Party Transactions.

NOTE 22: SEGMENT REPORTING

Since incorporation the Company has operated in one segment being the mineral exploration sector in Victoria and accordingly no further disclosure is required in the notes to the financial statements.

DIRECTORS' DECLARATION

1. In the opinion of the directors of A1 Consolidated Gold Limited (the 'Company'):
   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
      i. giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

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

Dennis Clark
Managing Director

Dated this 26th day of September 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of A1 Consolidated Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of A1 Consolidated Gold Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for A1 Consolidated Gold Limited.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(d), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report of A1 Consolidated Gold Limited complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of A1 Consolidated Gold Limited for the financial year ended 30 June 2012 published in the annual report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report and remuneration report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

Auditor's opinion

In our opinion:

(a) the financial report of A1 Consolidated Gold Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of A1 Consolidated Gold Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Giallonardo.

Perth, Western Australia
26 September 2012

L DI GIALLONARDO
Partner

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18 September 2012.

Distribution of Equity Securities

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

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	1	1,000
1,001	-	5,000	12	39,800
5,001	-	10,000	205	1,490,000
10,001	-	100,000	173	7,117,512
100,001		and over	85	129,560,609
			476	**138,208,921**
The number of shareholders holding less than a marketable parcel of shares are:			**6**	**10,800**

Twenty Largest Shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Gaffney's Creek Gold Mine	33,333,333	24.12
2	Heron Resources Limited	26,200,000	18.96
3	BT Portfolio Services Limited <Twin Pines BTML A/C	6,116,667	4.43
4	BT Portfolio Services Limited <N J Family Shares 1 A/C>	5,583,333	4.04
5	Write Family Investments Pty Ltd <Wright Fam Inv A/C>	4,133,334	2.99
6	Chris Roy Toifl	4,000,000	2.89
7	Bond Street Custodians <Kret V05765 A/C>	3,999,999	2.89
8	Simon Porter	3,686,667	2.67
9	Dennis John Clark & Pauline Fay Crocker	3,501,001	2.53
10	Ashok Aaron Parekh & Marie Parekh <Parekh Super Fund A/C	3,333,330	2.41
11	National Nominees Limited	3,233,333	2.34
12	Darren Bradley Russell-Croucher	3,000,000	2.17
13	Goodz & Associates GMC Pty Ltd	2,100,000	1.52
14	Jeffery Wayne Williams & Rosalyn Heather Williams <Park View Super Fund A/C	2,000,000	1.45
15	Colburn Fiduciary Nominees Pty Ltd	1,549,986	1.12
16	Goldfields Hotels Pty Ltd <Palace Investment A/C>	1,366,667	0.99
17	Goldfields Hotels Pty Ltd	1,033,334	0.75
18	Arabo Nominees Pty Ltd	1,000,000	0.72
19	Blue Gum International Pty Ltd	1,000,000	0.72
20	Financiere Moliere	859,820	0.62
		111,030,804	**80.33**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares
Gaffney's Creek Gold Mine	33,333,333
Heron Resources Limited	26,200,000
Dennis Clark	37,644,334
Darren Russell-Croucher	37,134,333

Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Schedule of Interests in Mining Tenements

Location	Tenement	Percentage held / earning
A1 Gold Project	MIN 5294	100%
Star of the West Mine	MIN 4636	100%
Ten Mile Goldfield	EL 5109	100%

Restricted Securities

The number of restricted securities on issue are:

Class	Number of Restricted Securities	Date Escrow Period Ends
Ordinary Fully Paid Shares	79,216,670	21 June 2014
Ordinary Fully Paid Shares	1,250,002	24 December 2012
Ordinary Fully Paid Shares	83,334	10 February 2013
Ordinary Fully Paid Shares	1,000,000	8 June 2013
Unlisted 40 cent Options, expiry 31 December 2014	25,000,000	21 June 2014
Unlisted 40 cent Options, expiry 31 December 2014	1,666,667	24 December 2012

Unquoted Securities

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class	
			Holder Name	Number of Securities
Fully paid ordinary shares	81,550,006	22	Gaffney's Creek Gold Mine	33,333,333
			Heron Resources Limited	24,300,000
Unlisted 40 cent options, expiry 31 December 2014	26,666,667	10	Nil	N/A

Use of Funds

The Company has, during the period from admission to the Official List of the ASX to June 30 2012, used the funds that it had at the time of admission in a way consistent with its initial business objectives.