



**ARBN 154 618 989**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2013**

# Equamineral Holdings Limited

ABRN 154 618 989

## ANNUAL REPORT

### CORPORATE DIRECTORY

#### Directors

Mr Keith Coughlan  
Mr Colin Ikin  
Mr Robert Timmins  
Mr David Porter

Managing Director and Chief Executive Officer  
Non-Executive Chairman  
Non-Executive Director  
Non-Executive Director

#### Joint Company Secretaries

Ms Julia Beckett  
Mr James Cole

#### Registered Office in Australia

Level 4, 66 Kings Park Road  
West Perth WA 6005  
Telephone 08 6141 3500  
Facsimile 08 6141 3599  
Email [www.equamineral.com](http://www.equamineral.com)

#### Registered Address and Place of Incorporation

Palm Grove House  
49 Main Street  
Road Town Tortola VG1 110  
British Virgin Islands

#### Share Register

Computershare Investor Services Limited  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
Perth WA 6000  
Telephone 08 9323 2000  
Facsimile 08 9323 2033

#### Auditor

Stantons International Audit and Consulting Pty Ltd  
Level 2, 1 Walker Avenue  
West Perth WA 6005  
Telephone 08 9481 3188  
Facsimile 08 9321 1204

#### Securities Exchange Listing

Australian Securities Exchange Limited  
Exchange Plaza  
2, The Esplanade  
Perth, WA 6000

ASX Code: EQH

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# Equamineral Holdings Limited

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### DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the year ended 30 June 2013.

#### Directors

The following persons were Directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

Mr Keith Coughlan	Managing Director	Appointed 6 September 2013
Mr Colin Ikin	Non-Executive Chairman	Appointed 23 June 2011
Mr Robert Timmins	Non-Executive Director	Appointed 24 November 2011
Mr David Porter	Non-Executive Director	Appointed 8 January 2012

#### Company Secretary

The following persons held the position of Joint Company Secretaries at the end of the financial year:

Ms Julia Beckett holds a Certificate in Governance Practice and Administration and is a Certificated Member of Chartered Secretaries Australia. Julia is a Corporate Governance professional, having worked in corporate administration and compliance for the past 6 years. She has been involved in business acquisitions, mergers, initial public offerings, capital raisings as well as statutory and financial reporting. Julia is also Joint Company Secretary of Frontier Resources Ltd and Parker Resources NL.

Mr James Cole qualified as a CA with PKF and has held a number of positions as CFO of mining and exploration companies listed on LSE, AIM, TSX and other international exchanges. As CFO of Crew Gold, he saw its market capitalisation grow from \$30,000,000 to \$990,000,000, and its employees from 120 to 1,200 globally. His most recent position is with a mineral explorer in the Republic of Congo.

#### Principal Activity

The Company is primarily involved in the exploration of iron ore.

#### Results of Operations

The consolidated loss for year ended 30 June 2013 amounted to \$656,907 (2012 loss : \$211,147) after eliminating non-controlling equity interests.

#### Significant Changes in the State of Affairs

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

The Company was successfully listed on the ASX on 19 July 2012 after raising \$2,500,000 via the issue of 12,500,000 CDIs at \$0.20 per CDI.

The Company successfully acquired the remaining 20% interest in the Oyabi project from Iron Africa limited, this gives the Company 100% ownership of the project with no attaching royalties.

No other significant changes in the nature of the Company's activities have occurred during the year.

#### Dividends Paid or Recommended

No dividends were declared or paid during the year and the Directors do not recommend the payment of a dividend.

# Equamineral Holdings Limited

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### DIRECTORS' REPORT

#### Information on Directors

##### Keith Coughlan

Qualifications

Experience

Interest in CDIs and Options

Special Responsibilities

Directorships held in other listed entities

##### Colin Ikin

Qualifications

Experience

Interest in CDIs and Options

Special Responsibilities

Directorships held in other listed entities

##### Robert Timmins

Qualifications

Experience

Interest in CDIs and Options

Special Responsibilities

Directorships held in other listed entities

Managing Director (CEO) – Appointed 6 September 2013

Stockbroker

Keith has over 26 years' experience in stockbroking and funds management. He has been largely involved in the funding and promoting of resource companies listed on ASX, AIM and TSX. He has advised various companies on the identification and acquisition of resource projects and was previously employed by one of Australia's then largest funds management organizations.

Nil CDIs and Nil options

Member of all the Committees

Nil

Non-Executive Chairman - Appointed 23 June 2011

Stockbroker

Colin was a stockbroker for 17 years. He has extensive experience as CEO of several mining companies listed on the ASX and AIM. Colin has developed gold, copper, nickel and cobalt mines in Australia and Africa, including the Bulong pressure acid leach Nickel Cobalt mine and the Horseshoe polymetallic mine. Colin is a non-executive director of Cominco Resources Ltd, a company currently developing the Hinda phosphate and uranium project in the Republic of Congo. He has played a major role in property developments in Indonesia and Australia.

225,000 CDI's held directly and 3,868,580 CDI's held indirectly and Nil options

Member of all the Committees

Current Executive Chairman of Namibian Copper NL.

Non-Executive Director – Appointed 24 November 2011

Geophysicist

Robert (Bob) Timmins has 39 years experience in mineral and oil exploration.

Bob founded Timmins Geophysics Pty Ltd in 1978, a geophysical consulting and contracting company. With up to 35 employees this company was principally involved in the acquisition and interpretation of electromagnetic, magnet (including polarization) and gravity data. Geophysics customers' included iron explorers: CR, Hamersley Iron, BHP, CSR and others. Bob conducted and interpreted the initial geophysics and sited the drilling which led to the discovery of the Yandie iron ore deposit.

Timmins Geophysics (1988) merged with ASX listed Aerodata Holdings to form World Geoscience Corporation ("WGC"). WGC managed the conducting, reporting and presentation of the initial European Union sponsored airborne geophysical survey of Namibia and Botswana.

Bob has consulted extensively in Australia, Africa (Namibia, Botswana, South Africa, Tanzania, Kenya and Central African Republic) and the Americas.

Nil CDIs and 500,000 options

Member of all the Committees

Current Non-Executive Director of Namibian Copper NL.

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#### DIRECTORS' REPORT

##### David Porter

##### Qualifications

##### Experience

Non-Executive Director – Appointed 8 January 2012

Geologist, BSc (Hons), MSc, FIMM

David has 41 years experience in the mining industry, since graduating from the University of Western Australia with a BSc (Hons) degree in 1971. He also holds a MSc degree and is a fellow of the Australasian Institution of Mining and Metallurgy.

From 1971 to 1989 David worked for numerous multinational and small mining/exploration companies, including Hamersley Exploration Ltd where he explored with success for Marra Mamba-type iron deposits and mapped the Brockman and other iron deposits. David was an executive director and exploration manager of Gascoyne Gold Mines NL from 1989 until 1996, and managed the Yilgarn Star feasibility study in 1990/1991. Gascoyne produced over 100,000 ounces of gold per year from the Yilgarn Star Mine until it was taken over in 1996 by Sons of Gwalia Ltd in a A\$180 million transaction.

Since 1996, David has been involved in managerial roles and directorships with mineral exploration companies. These include Diversified Mineral Resources from 1996 to 1999 which developed the Agbaou gold deposit in Cote d'Ivoire; Africwest Gold NL from 1997 to 1999 which became Mincor Resources Ltd operating the Kambalda nickel mines in Western Australia; and Alcaston Mining NL from 2001 to 2005. Over the past five years he has been actively pursuing coal, iron ore and base metal projects in central and southern Africa. He was founding Chairman of Cam Iron SA which was taken over by Sundance Resources Ltd in 2006 (which is now subject to a \$1.5 billion takeover and is developing the \$4.5 billion Mbalam iron ore project in Cameroon). He was also Chairman of Congo Iron SA and instrumental in the acquisition of the Nabeba iron ore deposit in Congo Brazzaville. David was involved in the vend of coal deposits into two ASX-listed companies in 2007 and 2008. One company, Resource Generation Ltd has completed a BFS on the company's coal project located in the Waterberg Coal province of South Africa.

##### Interest in CDIs and Options

##### Special Responsibilities

##### Directorships held in other listed entities

110,000 CDIs held indirectly and 500,000 options

Member of all the Committees

Nil

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**DIRECTORS' REPORT**

**Director Meetings**

The number of Directors' meetings and meetings of Committees of Directors held during the period from incorporation and the number of meetings attended by each of the Directors of the Company during the year are:

<b>Name</b>	<b>Directors' Meetings</b>	
	<b>Number attended</b>	<b>Number eligible to attend</b>
Keith Coughlan	-	-
Colin Ikin	2	2
Robert Timmins	2	2
David Porter	2	2

**REMUNERATION REPORT (AUDITED)**

This report details the nature and amount of remuneration for each Director of the Company, and Key Management Personnel ("KMP").

**A. Key Management Personnel Remuneration Policy**

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

The Board's policy for determining the nature and amount of remuneration for 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. All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

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

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate Non-executive Directors at commercial 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. Fees for Non- Executive Directors are not linked to the performance of the Company.

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**DIRECTORS' REPORT**

**REMUNERATION REPORT (AUDITED)**

**A. Key Management Personnel Remuneration Policy**

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold CDIs in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and Executives' interests in CDIs and options at year end, refer to Note 6 of the financial statements.

**B. Remuneration**

Details of the nature and amount of each element of the emoluments of each of the KMP of the Company (the Directors) for the year ended 30 June 2013 are set out in the following tables:

**For the year ended 30 June 2013**

Name	Short-term benefits		Post-employment benefits	Equity		Total	Performance - based
	Salary and fees	Other benefits	Superannuation	Share-based payment options	Other payments		
	\$	\$	\$	\$	\$	\$	%
<i>Directors:</i>							
Colin Ikin	270,068	2,960	-	-	-	273,028	-
Robert Timmins	22,550	2,960	-	3,343	8,300	37,153	9
David Porter	36,958	2,960	-	3,343	-	43,261	7.7
	329,576	8,880	-	6,686	8,300	353,442	-

**For the period ended 30 June 2012**

Name	Short-term benefits		Post-employment benefits	Equity		Total	Performance - based
	Salary and fees	Other benefits	Superannuation	Share-based payment options	Other payments		
	\$	\$	\$	\$	\$	\$	%
<i>Directors:</i>							
Colin Ikin	54,932	3,058	-	-	-	57,990	-
Robert Timmins	-	3,058	-	37,307	-	40,365	92
David Porter	-	3,058	-	37,307	-	40,365	92
	54,932	9,174	-	74,614	-	138,720	-

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**REMUNERATION REPORT (AUDITED)**

**C. Service Agreements**

***Executive Chairman Agreement***

On 25 January 2012, Mr Ikin signed an Executive Chairman Agreement which commenced on 1 February 2012, payment of the salary was to commence on the date the prospectus was lodged with ASIC. The date the prospectus was lodged was 26 April 2012.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

The Company had entered into a service agreement with Mr Colin Ikin to act in the capacity as Executive Chairman of the Company. Mr Ikin role changed from Executive Chairman to Non-Executive Chairman on the 6 September 2013.

Mr Ikin is employed on a full time basis and will receive a monthly salary of \$25,000, which will be subject to annual review by the Board. Mr Ikin is currently not drawing a salary from the Company.

The Company or Mr Ikin may terminate the employment without cause by providing 1 month's written notice to the other party. Additionally, the Company may terminate the employment immediately and without notice upon certain events akin to misconduct or Mr Ikin's incapacity.

**D. Options issued as part of remuneration for the year ended 30 June 2013.**

1,000,000 options were granted to the Directors during the period ended 30 June 2012 these options were vested at 30 June 2013.

No options were granted to directors during the year ended 30 June 2013 and no options lapsed during the year.

**E. Equity instruments issued on exercise of remuneration options**

There were no equity instruments issued during the year to Directors or other KMP as a result of options exercised that had previously been granted as compensation.

**F. Loans to Directors and Executives**

No loans have been made to Directors or Executives of the Company during, or since, the year ended 30 June 2013 (2012: nil).

**G. Company performance, shareholder wealth and Directors' and Executives' remuneration**

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. This will be facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

**End of Remuneration Report**

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### DIRECTORS' REPORT

#### CDIs under option

Unissued CDIs of Equamineral Holdings Limited under option at the date of this report are as follows:

<u>Expiry date</u>	<u>Exercise Price</u>	<u>Number under option</u>
19 July 2015	\$0.30	1,200,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

#### Environmental Regulations

The Group's operations are subject to the environmental risks inherent in the mining industry.

#### Significant events after the reporting date

On the 6 September 2013 Mr Keith Coughlan was appointed as managing director and chief executive office of the Company. At this time Mr Colin Ikin's role changed from Executive Chairman to Non-Executive Chairman.

Subsequent to year end the share price of the Company's listed investment in Pacific Wildcat Resources decreased by \$250,000 CAD. Inclusive of the effects of foreign exchange the change in the value of the investment to the company was a decrease of \$260,723 AUD. On the 27 September 2013 the Company entered into an agreement to sell the Company's listed investment in Pacific Wildcat Resources for the original cost of the investment, \$473,495 AUD.

Except for the matters noted above there have been no significant events arising after the reporting date.

#### Indemnification and insurance of Directors and Officers

The Company has agreed 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, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium of \$8,880 in respect of a contract insuring the Directors and Officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

#### Proceedings on Behalf of the Company

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

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

#### Non-audit Services

Stantons International has not provided any non-audit services during the year.

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**DIRECTORS' REPORT**

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 11 of the financial report.

This report of the Directors incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Colin Ikin

**NON- EXECUTIVE CHAIRMAN**

Dated at 28 September 2013

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**Auditor's independence declaration**

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2013**

	Note	30 June 2013	23 June 2011 to 30 June 2012
		\$	\$
Revenue – interest income		25,526	1,155
Other income		26,474	5,615
Professional fees		(31,090)	(2,459)
Audit fees		(22,146)	(10,000)
Accounting and compliance fees		(65,640)	(3,610)
Directors' fees		(59,508)	(54,932)
Computer and website expense		(3,548)	(6,545)
Share based payment expense		(8,024)	(89,536)
Employees' benefits		(287,905)	(9,262)
Travel and accommodation		(80,713)	(31,213)
Insurance expense		(12,156)	-
Share registry expense		(28,330)	-
Depreciation expense	13	(21,855)	-
Other expenses		(87,992)	(13,360)
<b>Loss before income tax</b>		<b>(656,907)</b>	<b>(214,147)</b>
Income tax expense	4	-	-
<b>Loss for the year/period</b>		<b>(656,907)</b>	<b>(214,147)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		87,155	-
Other comprehensive income for the year/period, net of tax		87,155	-
<b>Total comprehensive loss for the year/period</b>		<b>(569,752)</b>	<b>(214,147)</b>
Net Loss attributable to:			
- members of the parent entity		(656,907)	(211,547)
- non controlling interest		-	(2,600)
		<b>(656,907)</b>	<b>(214,147)</b>
Total Comprehensive income attributable to:			
- members of the parent entity		(569,752)	(211,547)
- non controlling interest		-	(2,600)
		<b>(569,752)</b>	<b>(214,147)</b>
Basic and diluted loss per share (cents)	8	(2.65)	(1.91)

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	9	575,924	2,188
Other receivables	10	18,030	40,748
Other assets	11	18,587	255,021
Financial assets	12	519,359	-
<b>Total current assets</b>		<u>1,131,900</u>	<u>297,957</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	136,554	-
Exploration and evaluation expenditure	14	566,449	350,947
<b>Total non-current assets</b>		<u>703,003</u>	<u>350,947</u>
<b>Total assets</b>		<u>1,834,903</u>	<u>648,904</u>
<b>Current liabilities</b>			
Trade and other payables	15	28,637	369,169
Other liabilities	16	90,309	123,148
<b>Total current liabilities</b>		<u>118,946</u>	<u>492,317</u>
<b>Total liabilities</b>		<u>118,946</u>	<u>492,317</u>
<b>Net assets</b>		<u>1,715,957</u>	<u>156,587</u>
<b>Equity</b>			
Issued capital	17	2,402,296	281,198
Reserves	18	184,715	89,536
Accumulated losses		(871,054)	(211,547)
Capital and reserves attributable to owners of Equamineral Holdings Limited		1,715,957	159,187
Non-controlling interests		-	(2,600)
<b>Total equity</b>		<u>1,715,957</u>	<u>156,587</u>

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 23 June 2011</b>	-	-	-	-	-	-	-
Loss attributable to members of the Company	-	-	-	(211,547)	(211,547)	(2,600)	(214,147)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	(211,547)	(211,547)	(2,600)	(214,147)
<b>Transactions with owners, recognised directly in equity</b>							
CDIs issued during the period, net of costs	281,198	-	-	-	281,198	-	281,198
Options issued to employees	-	89,536	-	-	89,536	-	89,536
<b>Balance at 30 June 2012</b>	281,198	89,536	-	(211,547)	159,187	(2,600)	156,587
<b>Balance at 1 July 2012</b>	281,198	89,536	-	(211,547)	159,187	(2,600)	156,587
Loss attributable to members of the Company	-	-	-	(656,907)	(656,907)	-	(656,907)
Other comprehensive income	-	-	87,155	-	87,155	-	87,155
<b>Total comprehensive loss for the year</b>	-	-	87,155	(656,907)	(569,752)	-	(569,752)
<b>Transactions with owners, recognised directly in equity</b>							
CDIs issued during the year, net of costs	2,121,098	-	-	-	2,121,098	-	2,121,098
Options issued to employees	-	8,024	-	-	8,024	-	8,024
Recognition of non-controlling interest	-	-	-	(2,600)	(2,600)	2,600	-
<b>Balance at 30 June 2013</b>	2,402,296	97,560	87,155	(871,054)	1,715,957	-	1,715,957

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

**Equamineral Holdings Limited**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	30 June 2013	23 June 2011 to 30 June 2012
Note	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(773,192)	(66,489)
Interest received	25,526	1,155
<b>Net cash used in operating activities</b>	<u>(747,666)</u>	<u>(65,334)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(248,564)	(204,251)
Payments for fixed assets	(147,299)	-
Purchase of investments in listed security	(473,495)	-
Net repayment of loans	(53,696)	(20,272)
<b>Net cash used in investing activities</b>	<u>(923,054)</u>	<u>(224,523)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of CDIs	2,500,000	290,000
Capital raising costs paid	(255,544)	(32,955)
Proceeds from loans	-	35,000
<b>Net cash from financing activities</b>	<u>2,244,456</u>	<u>292,045</u>
Net increase in cash and cash equivalents	573,736	2,188
Cash and cash equivalents at the beginning of the financial year	2,188	-
Cash and cash equivalents at the end of financial year	<u>575,924</u>	<u>2,188</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

These consolidated financial statements and notes represent those of Equamineral Holdings Limited (“the Company”) and Controlled Entities (the “Consolidated Group” or “Group”). The separate financial statements of the parent entity, Equamineral Holdings Limited, have not been presented within this financial report as is permitted by *Corporations Act 2001*.

The financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Boards (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The accounting policies detailed below have been adopted in the preparation of the financial report. Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

The Group is a listed public company, incorporated in the British Virgin Islands and registered in Australia. The Group is primarily involved in the exploration of iron ore in the Republic of Congo.

**Going concern**

The consolidated entity has incurred a net loss after tax for the year ended 30 June 2013 of \$656,907 (2012: \$214,147) and incurred net cash outflows from operations of \$747,666 (2012: \$64,334). As at 30 June 2013, the consolidated entity had cash and cash equivalents of \$575,924 (30 June 2012: \$2,188) and net assets of \$1,715,957 (30 June 2012: \$156,587).

In the forthcoming 12 months from the date of these financial statements, the Company and the consolidated entity will be required to meet various commitments, which require funds that are above and beyond the working capital of the consolidated entity at 30 June 2013. These commitments include evaluating a number of properties and continuing to conduct site visits to overseas projects.

The financial statements have been prepared on the basis that the Company and consolidated entity will continue to meet their commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In arriving at this position, the Directors are reviewing various funding alternatives to meet these commitments. These funding alternatives include the sale of current equity investments and scaling back of corporate costs.

After considering the uncertainties described above, the Directors have a reasonable expectation that the Company and consolidated entity have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the yearly report and accounts.

The annual report does not include any adjustment relating to the recoverability or classification of recorded asset amounts nor the amounts or classification of liabilities that might be necessary should the Company and consolidated entity not be able to continue as a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Adoption of new and revised standards**

**Changes in accounting policies on initial application of Accounting Standards**

*New and amended standards adopted by the group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective 1 July 2012* now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

**(ii) Statement of Compliance**

The financial report was authorised for issue on 28 September 2013.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

**(iii) 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.

*Share-based payment transactions*

The Group 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.

*Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

*Recognition of deferred tax assets*

Deferred tax assets relating to temporary differences and unused tax losses have not been recognised as the Directors are of the opinion that it is not probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Income Tax**

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

**(c) Impairment of assets**

At the end of each reporting period the Group assesses 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 Group 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

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Impairment of assets (continued)**

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 reporting period 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.

**(d) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

**(e) Revenue**

***Interest***

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

**(f) Goods and Services Tax (GST)**

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

**(g) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the profit and loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Finance Income and Finance Costs**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

**(i) Employee Benefits**

**Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Other long-term employee benefits**

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

**(j) Exploration and Evaluation Assets**

Exploration and evaluation costs, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs of acquiring licences which are pending the approval of the relevant regulatory authorities as at the date of reporting are capitalised as exploration and evaluation cost if in the opinion of the Directors it is virtually certain the Group will be granted the licences.

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

- i. The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or
- ii. Activities in the area of interest have not at the reporting 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 assessed for impairment when:

- iii. Sufficient data exists to determine technical feasibility and commercial viability, and
- iv. Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy in Note 1(c)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Financial Instruments**

**Initial recognition and measurement**

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

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

**Financial assets at fair value through profit and loss**

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

**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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Group's intention to hold these investments to maturity. Such assets are recognised initially at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss. Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Financial Instruments (continued)**

**Financial liabilities**

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

**Fair value**

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

**Derecognition**

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

**(l) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group 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.

**(m) Earnings Per CDI**

**Basic earnings per CDI**

Basic earnings per CDI is determined by dividing the profit or loss attributable to ordinary shareholders of the Company, by the weighted average number of CDIs outstanding during the period, adjusted for bonus elements in CDIs issued during the period.

**Diluted earnings per share**

Diluted earnings per CDI adjusts the figure used in the determination of basic earnings per CDI to take into account the after income tax effect of interest and other financial costs associated with dilutive potential CDIs and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential CDIs, which comprise convertible notes and CDI options granted.

**(n) Borrowing Costs**

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

All other borrowing costs are recognised in income in the period in which they are incurred.

**(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**(q) CDI based payments**

The grant date fair value of CDI-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For CDI-based payment awards with non-vesting conditions, the grant date fair value of the CDI-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(r) Issued capital**

CDIs are classified as equity. Incremental costs directly attributable to the issue of new CDIs or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new CDIs or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

**NOTE 2: DETERMINATION OF FAIR VALUES**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**CDI-based payment transactions**

The fair value of the employee CDI options and the share appreciation right is measured using the Black-Scholes formula. Measurement inputs include CDI price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

	<b>30 June 2013</b>	<b>23 June 2011 to 30 June 2012</b>
<b>NOTE 3: LOSS BEFORE INCOME TAX</b>		
<b>(a) Significant revenues and expenses</b>	<b>\$</b>	<b>\$</b>
The following significant revenue and (expense) items are relevant in explaining the financial performance:		
- Audit fees	(22,146)	(10,000)
- Directors fees	(59,508)	(54,932)
- Share based payment expense	(8,024)	(89,536)
<b>NOTE 4: INCOME TAX</b>		
<b>(a) Income tax expense</b>	-	-
Current tax	-	-
Deferred tax	-	-
Deferred income tax expense included in income tax expense comprises:	-	-
(Increase) in deferred tax assets	-	-
Increase in deferred tax liabilities	-	-
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		
Net loss before tax	(656,907)	(214,147)
Prima facie tax on operating loss at 30% (2012: 30%)	(197,072)	(64,244)
Add / (Less): Non-deductible items		
-Share-based payments	2,623	-
-Other	169,998	-
Non assessable income	(7,132)	-
Current year tax loss not recognised	33,857	64,244
Deductible equity raising costs	(2,273)	-
Income tax attributable to operating loss	-	-
The applicable weighted average effective tax rates are as follows:	Nil%	Nil%
Balance of franking account at year end	Nil	Nil
<b>Deferred tax assets</b>		
Tax Losses	33,857	-
Capital raising costs	9,094	-
Unrecognised deferred tax asset	42,950	-
Set-off deferred tax liabilities	-	-

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

<b>NOTE 4: INCOME TAX (continued)</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
Net deferred tax assets		42,950	-
Net tax assets		42,950	-
<b>Deferred tax liabilities</b>			
Exploration expenditure		-	-
Set-off deferred tax assets		-	-
Net deferred tax liabilities		-	-
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		112,856	-

The Company is registered in the British Virgin Islands (BVI) and the Company is not a tax resident of Australia. There are currently no withholding taxes or exchange control regulations in the BVI applicable to the Company.

Per the terms of agreement between the Republic of Congo and Equaminerals SA relating to mining exploration for iron-ore the following is applicable:

During the licences' period of validity, Equamineral S.A. will benefit from exemptions from all of the following taxes:

- Taxes on company profits;
- All duties, fees or taxes due notably on all imports and acquisitions in the Congo of goods, services and equipment, goods and consumables, semi-finished products and
- Replacement parts necessary for carrying out mining works;
- Fixed-rate taxes on salaries paid to Congolese employees;
- Taxes on the registration rights of all deeds, including the present agreement and all transfer deeds;
- All Importation and exportation rights and taxes.

**NOTE 5: RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other than transactions with Key Management Personnel and their related entities (refer Note 6), there were no other related party transactions during the year.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION**

**(a) Key management personnel ("KMP")**

Names and positions held of KMP in office at any time during the year are:

**Directors:**

Colin Ikin	Managing Director	Appointed 23 June 2011
Robert Timms	Non-Executive Director	Appointed 24 November 2011
David Porter	Non-Executive Director	Appointed 8 January 2012

The totals of remuneration paid to key management personnel during the year and prior period are as follows:

**(b) KMP compensation**

	<b>30 June 2013</b>	<b>23 June 2011 to 30 June 2012</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	338,456	64,106
Post employment benefits	-	-
Share based payment expense	6,686	74,614
Other payments	8,300	-
	<u>353,442</u>	<u>138,720</u>

**(c) Equity instruments disclosure relating to KMP**

The number of CDIs held by Directors and KMP of the Company during the year ended 30 June 2013, including their personally related parties, are set out below:

<b>Name</b>	<b>Balance at 30 June 2012</b>	<b>Granted as compensation</b>	<b>Options Exercised</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30 June 2013</b>
Colin Ikin	-	-	-	225,000	225,000
<i>Indirect</i> <sup>1</sup>	3,868,580	-	-	-	3,868,580
Robert Timmins	-	-	-	-	-
David Porter	-	-	-	-	-
<i>Indirect</i>	-	-	-	110,000	110,000
<b>Total</b>	<b>3,868,580</b>	<b>-</b>	<b>-</b>	<b>335,000</b>	<b>4,203,580</b>

**Shares**

<b>Name</b>	<b>Balance at 23 June 2011</b>	<b>Granted as compensation</b>	<b>Options Exercised</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30 June 2012</b>
Colin Ikin	-	-	-	-	-
<i>Indirect</i> <sup>1</sup>	3,868,580	-	-	-	3,868,580
Robert Timmins	-	-	-	-	-
David Porter	-	-	-	-	-
<i>Indirect</i>	-	-	-	-	-
<b>Total</b>	<b>3,868,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,868,580</b>

<sup>1</sup> These CDIs are held by the following personally related parties of Colin Ikin:

- Woolstores Developments Pty Ltd (Spouse)

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**NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)**

**KMP Options and Rights Holdings**

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

30 June 2013	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Colin Ikin	-	-	-	-	-	-	-
Robert Timmins	500,000	-	-	-	500,000	500,000	-
David Porter	500,000	-	-	-	500,000	500,000	-
Total	1,000,000	-	-	-	1,000,000	1,000,000	-

30 June 2012	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Colin Ikin	-	-	-	-	-	-	-
Robert Timmins	-	500,000	-	-	500,000	-	500,000
David Porter	-	500,000	-	-	500,000	-	500,000
Total	-	1,000,000	-	-	1,000,000	-	1,000,000

**(d) Loans to KMP**

There were no loans made to or from KMP of the Company during the year ended 30 June 2013.

**(e) Other transactions with KMP**

There have been no other transactions with KMP involving equity instruments other than those described in the table above.

**NOTE 7: AUDITOR'S REMUNERATION**

30 June 2013	23 June 2011 to 30 June 2012
\$	\$

Details of the amounts paid to the auditor of the Group, Stantons International Audit and Consulting Pty Ltd and its related practices for audit and non-audit services provided during the year are set out below:

Remuneration of the auditor of the Group for:

**Auditor's services**

Audit and review of financial report	22,146	10,000
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8: BASIC AND DILUTED LOSS PER CDI</b>		
Basic and diluted loss per CDI (cents)	(2.65)	(1.91)
Loss attributable to members of Equamineral Holdings Limited	(656,907)	(211,547)
Weighted average number of CDI outstanding during the year	24,781,874	11,064,153

The Group is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, CDI capital in respect of potential CDIs would lead to a diluted earnings per CDI that shows an inferior view of the earnings per CDI. For this reason, the diluted loss per CDI for the year ended 30 June 2013 are the same as basic loss per CDI.

**NOTE 9: CASH AND CASH EQUIVALENTS**

Cash at bank	575,924	2,188
Total cash and cash equivalents in the Statement of Cash Flows	575,924	2,188

**NOTE 10: OTHER RECEIVABLES**

**CURRENT**

GST Receivable	12,023	20,476
Other receivable	6,007	20,272
	18,030	40,748

**NOTE 11: OTHER ASSETS**

**Current**

Prepayment – deferred capital raising costs	-	245,639
Prepayment – other	10,774	9,382
Deposits paid	7,813	-
	18,587	255,021

**NOTE 12: FINANCIAL ASSETS**

**CURRENT**

Available for Sale - equity securities	473,495	-
Unrealised gain on foreign currency investment	45,864	-
	519,359	-

The securities in TSX listed entity are classified as level 1 of the fair value hierarchy. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date.

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**NOTE 13: PLANT AND EQUIPMENT**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Computer equipment	5,155	-
Accumulated Depreciation	(210)	-
	4,945	-
Office equipment	14,658	-
Accumulated depreciation	(1,229)	-
	13,429	-
Motor vehicles	141,702	-
Accumulated depreciation	(23,522)	-
	118,180	-
Total property, plant and equipment at cost	161,515	-
Total accumulated depreciation	(24,961)	-
	136,554	-

**Movements in carrying amounts**

Movements in carrying amounts for each class of plant and equipment between the beginning and end of the financial year:

	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at 1 July 2012	-	-	-	-
Additions	5,155	14,658	127,485	147,298
Depreciation charge	(184)	(1,076)	(20,595)	(21,855)
Exchange differences	(26)	(153)	11,290	11,111
Carrying amount at 30 June 2013	4,945	13,429	118,180	136,554

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<b>NOTE 14: EXPLORATION AND EVALUATION EXPENDITURE</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Exploration at cost</b>		
Balance at the beginning of the year	350,947	-
Acquisition of tenements	-	-
Exploration of tenements	146,756	350,947
Foreign exchange movement on asset	68,746	-
	<u>566,449</u>	<u>350,947</u>

**NOTE 15: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade payables	13,637	274,173
Accrued expenses	15,000	94,996
	<u>28,637</u>	<u>369,169</u>

**NOTE 16: OTHER LIABILITIES**

**CURRENT**

Loan to Cominco Resources	90,309	123,148
	<u>90,309</u>	<u>123,148</u>

Equamineral Holdings has a loan agreement with Cominco Resources. The loan is for no fixed term, is interest free, unsecured and repayable by Equamineral at call of Cominco. The funds were advanced in Euros and repayment is expected in Euros. At 30 June 2013 the amount in Euros was € 63,551 an unrealised loss of \$20,857 was recognised in the consolidated profit and loss.

**NOTE 17: ISSUED CAPITAL**

**(a) Issued and paid up capital**

	<u><b>Number</b></u>	<u><b>\$</b></u>
25,400,006 (30 June 2012: 12,900,006 CDIs)	25,400,006	2,402,296
Total issued capital		<u>2,402,296</u>

**(b) Movements in CDIs**

	<u><b>Date</b></u>	<u><b>Number</b></u>	<u><b>\$</b></u>
<b>Balance at date of incorporation</b>	<b>23 June 2011</b>	<b>25,249,289</b>	-
Consolidation of CDI	01/12/2011	(15,249,283)	-
CDI seed capital at \$0.10	14/02/2012	2,900,000	290,000
Capital raising costs			(8,802)
<b>Balance at the end of the period</b>	<b>30 June 2012</b>	<b>12,900,006</b>	<b>281,198</b>
<b>Balance at the beginning of the year</b>	<b>1 July 2012</b>	<b>12,900,006</b>	<b>281,198</b>
Initial Public Offering	19/07/2012	12,500,000	2,500,000
Capital raising costs			(378,902)
<b>Balance at the end of the year</b>	<b>30 June 2013</b>	<b>25,400,006</b>	<b>2,402,296</b>

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**NOTE 17: ISSUED CAPITAL (CONTINUED)**

CDIs entitle the holder to participate in dividends 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 a CDI present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

Equamineral Holdings limited is a company limited by shares incorporated in the British Virgin Islands with an authorised share capital, 50,000,000 no par value shares of a single class. Pursuant to the prospectus dated 26 April 2012, the company issued CDIs in July 2012. The holder of the CDIs has beneficial ownership in the underlying shares instead of legal title. Legal title and the underlying shares is held by Chess Depository Nominees Pty Ltd.

Holders of CDIs have the same entitlement benefits of holding the underlying shares. Each Share in the Company confers upon the Shareholder:

- (a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;
- (b) the right to an equal share in any dividend paid by the Company; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

**(c) Capital risk management**

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity comprising issued capital, reserves and accumulated losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is to maintain sufficient current working capital position to meet the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June is as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	575,924	2,188
Other receivables	18,030	40,748
Financial assets	519,359	-
Trade and other payables	(118,946)	(492,317)
	<hr/> 994,367	<hr/> (449,381)

The Group is not subject to any externally imposed capital requirements.

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**NOTE 18: RESERVES**

**a) Option Reserve**

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

	<b>2013</b>	<b>2012</b>
	\$	\$
Balance at the beginning of the financial year	89,536	-
Options issued / vested	8,024	89,536
Balance at the end of the financial year	97,560	89,536

**b) Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Balance at the beginning of the financial year	-	-
Movement during the year	87,155	-
Balance at the end of the financial year	87,155	-

**NOTE 19: SHARE BASED PAYMENTS**

The following share-based payment arrangements existed at 30 June 2013:

- i. On 1 December 2011, 1,200,000 share options were granted to employees and key management personnel for no consideration to acquire 1 CDI in the Company exercisable at \$0.30 on or before the 3 year anniversary of the date of quotation on ASX being 19 July 2015. The options hold no dividend or voting rights and are not transferrable.
- ii. Options granted to employees and Key Management Personnel are as follow:

<b>Grant Date</b>	<b>Number</b>
1 December 2011	1,200,000

These options vest from the grant date to the date of quotation of the company on the ASX being 19 July 2012. Further details of these options are provided in the directors' report. The options hold no voting of dividend rights and are unlisted.

A summary of the movements of all company options issued is as follows:

	<b>Number</b>	<b>Weighted Average Exercise Price</b>
<b>Options outstanding as at 1 July 2012</b>	1,200,000	\$0.30
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2013</b>	1,200,000	\$0.30
Options exercisable as at 30 June 2013	1,200,000	-

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**NOTE 19: SHARE BASED PAYMENTS (CONTINUED)**

The values of options on issue were calculated applying the following inputs:

	<b>Options</b>
Number of options issued	1,200,000
Exercise price	\$0.30
Valuation date	1 December 2011
Expiry date	19 July 2015
Market price of shares at grant date	\$0.20
Expected share price volatility	75%
Risk-free interest rate	3.52%
Valuation per option	\$0.08

**NOTE 20: CASH FLOW INFORMATION**

	<b>30 June 2013</b>	<b>23 June 2011 to 30 June 2012</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash flow used in operating activities to loss after income tax</b>		
Loss after income tax	(656,907)	(214,147)
<i>Adjustments for:</i>		
Share based payment	8,024	89,536
Unrealised foreign exchange loss (gain)	(19,218)	(3,764)
Depreciation expense	21,855	-
<i>Changes in assets and liabilities</i>		
(Increase)/ Decrease in other receivables	22,719	(20,476)
(Increase)/ Decrease in prepayment	2,177	(9,382)
Increase/ (Decrease) in trade and other payables	(126,316)	92,899
Cash flow (used in)/from operating activities	<u>(747,666)</u>	<u>(65,334)</u>

**Non Cash Financing and Investing Activities**

There have been nil non-cash investing and financing activities for the financial year.

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**NOTE 21: OPERATING SEGMENTS**

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors. According to AASB 8 Operating Segments, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type or class of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- If applicable, the nature of the regulatory environment, for example; banking, insurance and public utilities.

The Group currently has one project which takes into account each of the above mentioned aspects. The principal activity for the project is exploration of iron ore. The project is likely to have the same methods to distribute the resources in future and the nature of the regulatory environment which is the Republic of Congo. This is expected to be the same for future projects. Accordingly, management has identified one operating segment based on the location of the projects, that being the Republic of Congo.

**NOTE 22: FINANCIAL RISK MANAGEMENT**

The Group's financial instruments consist mainly of deposits with banks, equity instruments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group's operations. The Group does not speculate in the trading of derivative instruments.

The Group holds the following financial instruments:

		2013		2012
		\$		\$
<b>Financial assets</b>				
Cash and cash equivalents	9	575,924		2,188
Other receivables	10	18,030		40,748
Available for sale financial assets	12	519,359		-
<b>Total financial assets</b>		<b>1,113,313</b>		<b>42,936</b>
Trade and other payables	15	28,637		369,169
Other liabilities	16	90,309		123,148
<b>Total financial liabilities</b>		<b>118,946</b>		<b>492,317</b>

The fair value of the Group's financial assets and liabilities approximate their fair value.

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**NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Specific Financial Risk Exposures and Management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk) credit risk and liquidity risk.

**(a) Market risk**

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

***Interest rate risk***

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no interest bearing debt arrangements have been entered into.

***Price risk***

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to securities price risk on investments classified as available for sale. The investment in listed equities has been valued at the market price prevailing at reporting date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment.

***Foreign exchange risk***

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Groups' financial results. The Groups' exposure to foreign exchange risk is minimal as the Group only holds small sums of money in the subsidiary bank account in Congolese Franc, the majority of the Groups' funds are held in Australian dollars, however the Board continues to monitor this exposure.

At 30 June, the group has financial assets denominated in the foreign currencies detailed below:

	<u>2013</u>		<u>2012</u>	
	Foreign Currency	AUD Equivalent	Foreign Currency	AUD Equivalent
CFA	3,714,131	8,060	527,270	1,018

A 5% movement in foreign exchange rates does not result in any material difference.

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**NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)**

At 30 June, the group has liabilities denominated in the foreign currencies detailed below:

	<u>2013</u>			<u>2012</u>	
	Foreign Currency	AUD Equivalent		Foreign Currency	AUD Equivalent
CFA	3,852,360	8,360	GBP	2,838	4,362
Euro	63,551	90,325	Euro	123,534	152,662
USD	-	-	USD	6,759	6,868
Rand	18,884	2,107	Rand	206,167	24,539
		<u>100,792</u>			<u>188,431</u>

A 5% movement in foreign exchange rates would increase or decrease loss before tax by approximately \$5,040 (2012: \$9,443)

**(b) Credit risk**

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Statement of Financial Position and notes to the financial statements.

The credit quality of the financial assets was high during the year. The table below details the credit quality of the financial assets at the end of the year:

Financial assets	Credit Quality	2013	2012
		\$	\$
Cash and cash equivalents held at BGF Bank	High	7,162	1,018
Cash and cash equivalents held at Westpac Bank			
- Interest-bearing deposit	High	567,865	1,170
Other receivables	High	-	40,748
		<u>575,027</u>	<u>42,936</u>

**Impairment losses**

There are no past due receivables for the Group.

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**NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk**

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the Group is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

	<b>Carrying Amount</b>	<b>Contractual Cash flows</b>	<b>&lt;3 months</b>	<b>3-6 months</b>	<b>6-24 months</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 30 June 2013</b>					
Trade and other payables	28,637	28,637	28,637	-	-
Loan payable to Cominco	90,309	90,309	-	-	90,309
	118,946	118,946	28,637	-	90,309
<b>As at 30 June 2012</b>					
Trade and other payables	369,169	369,169	369,169	-	-
Loan payable to Cominco	123,148	123,148	-	-	123,148
	492,317	492,317	369,169	-	123,148

**(d) Cash flow and fair value interest rate risk**

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities:

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**NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)**

	Floating Interest Rate	Non- interest bearing	2013 Total	Floating Interest Rate	Non- interest bearing	2012 Total
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
<i>- Within one year</i>						
Cash and cash equivalents	575,027	897	575,924	-	2,188	2,188
Available for sale financial assets	-	519,359	519,359	-	-	-
Other receivables	-	18,030	18,030	-	40,748	40,748
<b>Total financial assets</b>	<b>575,027</b>	<b>538,286</b>	<b>1,113,313</b>	<b>-</b>	<b>42,936</b>	<b>42,936</b>
<i>Weighted average interest rate</i>	3.05%	-	-	-		
<b>Financial Liabilities</b>						
<i>- Within one year</i>						
Trade and other Payables	-	28,637	28,637	-	369,169	369,169
Borrowings	-	90,309	90,309	-	123,148	123,148
<b>Total financial liabilities</b>	<b>-</b>	<b>118,946</b>	<b>118,946</b>	<b>-</b>	<b>492,317</b>	<b>492,317</b>
<b>Net financial assets</b>	<b>575,027</b>	<b>419,340</b>	<b>994,367</b>	<b>-</b>	<b>(449,381)</b>	<b>(449,381)</b>

**Cashflow sensitivity analysis for variable rate instruments**

A change of 100 basis points in the interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by \$5,750 (2012: nil).

**(f) Net fair value of financial assets and liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

**NOTE 23: CONTROLLED ENTITIES**

Subsidiaries of Equamineral Holdings Limited

Controlled entity	Country of Incorporation	Class of Shares	Percentage Owned	
			2013	2012
Equamineral Group Limited (EGL)*	British Virgin Islands	Ordinary	100%	80%
Equamineral SA (ESA Congo)	Republic of Congo	Ordinary	100%	80%

\*EGL was incorporated on 8 December 2010 and domiciled in the British Virgin Islands. EGL is the parent company for Equamineral SA (ESA Congo), the Congolese company that holds the Oyabi Iron Project (Oyabi Project) located in the Republic of Congo. EGL is the beneficial holder of 100% of the issued share capital in Equamineral SA.

Investment in subsidiary is accounted for at cost.

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**NOTE 24: PARENT ENTITY DISCLOSURE**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

**(a) Statement of Financial Position**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Current assets	1,102,503	296,938
Non-current assets	387,822	-
<b>TOTAL ASSETS</b>	1,490,325	296,938
<b>LIABILITIES</b>		
Current liabilities	134,725	492,317
<b>TOTAL LIABILITIES</b>	134,725	492,317
<b>NET ASSETS/ (LIABILITIES)</b>	1,355,600	(195,379)
<b>EQUITY</b>		
Issued capital	2,402,296	281,198
Reserves	97,560	89,536
Accumulated losses	(1,144,256)	(566,113)
<b>TOTAL EQUITY</b>	1,355,600	(195,379)

**(b) Profit or Loss and Other Comprehensive Income**

	<b>2013</b>	<b>23 June 2011 to 30 June 2012</b>
	<b>\$</b>	<b>\$</b>
Total Loss	(578,129)	(566,113)
Total comprehensive income	(578,129)	(566,113)

**(c) Guarantees**

There are no guarantees entered into by Equamineral Holdings Limited for the debts of its subsidiary as at 30 June 2013.

**(d) Contingent liabilities**

There were no contingent liabilities as at 30 June 2013.

**(e) Commitments**

There were no commitments as at 30 June 2013.

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**NOTE 24: PARENT ENTITY DISCLOSURE (CONTINUED)**

**(f) Related Party**

During the year ended 30 June 2013, \$260,858 (2012: \$373,266) has been advanced to the subsidiaries, the amount outstanding as at 30 June 2013 is \$263,753 (2012: \$8,300).

**NOTE 25: CAPITAL COMMITMENTS**

	2013	2012
	\$	\$
<b>Capital expenditure commitments:</b>		
Capital expenditure commitments for:		
Mining concession commitments	879,991	869,053
<b>Payable:</b>		
Not longer than 1 year	879,991	750,000
Longer than 1 year and not longer than 5 years	-	119,053
Longer than 5 years	-	-
	879,991	869,053

The Oyabi licence conditions require approximately \$1,446,440 (being the equivalent of € 975,000) to be spent over the three years' licensing period on exploration. The license was granted on 20 July 2011. For the period ending 30 June 2013 \$566,449 had been spent on the licence conditions.

**NOTE 26: CONTINGENT LIABILITIES**

There are no contingent liabilities as at 30 June 2013.

**NOTE 27: SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On the 6 September 2013 Mr Keith Coughlan was appointed as managing director and chief executive office of the Company. At this time Mr Colin Ikins role changed from Executive Chairman to Non-Executive Chairman.

Subsequent to year end the share price of the Company's listed investment in Pacific Wildcat Resources decreased by \$250,000 CAD. Inclusive of the effects of foreign exchange the change in the value of the investment to the company was a decrease of \$260,723 AUD. On the 27 September 2013 the Company entered into an agreement to sell the Company's listed investment in Pacific Wildcat Resources for the original cost of the investment, \$473,495 AUD.

Except for the matters noted above there have been no significant events arising after the reporting date.

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**NOTE 28: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- removing the tainting rules associated with held-to-maturity assets;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument

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**NOTE 28: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)**

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all

investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual key management Personnel Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 January 2013).

This standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Group's financial report as a whole.

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**NOTE 28: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (Continued)**

AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

These standards are not expected to impact the Group.

**NOTE 29: COMPANY DETAILS**

**Registered Address and Place of Incorporation**

Rawlinson & Hunter Limiter  
Woodbourne Hall  
Roadtown, Tortola  
British Virgin Islands VG 11D

**Registered office in Australia**

Level 6, 66 Kings Park Road  
West Perth WA 6005  
Telephone: 08 6141 3500  
Facsimile: 08 6141 3599  
Website: [www.equamineral.com](http://www.equamineral.com)  
Email: [info@equamineral.com](mailto:info@equamineral.com)

## Equamineral Holdings Limited

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#### Directors Declaration

1. In the opinion of the Directors of Equamineral Holdings Limited ('the Company'):
  - (a) the financial statements and notes and the Remuneration Report in the Directors' Report, set out on pages 6 to 43, are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial period ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a);
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Financial Officer for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Colin Ikin

**Non-Executive Chairman**

Dated at Perth on 28 September 2013.

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EQUAMINERAL HOLDINGS LIMITED**

**TO BE REPLACED BY STANTONS INTERNATIONAL LETTER**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

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# Equamineral Holdings Limited

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### CORPORATE GOVERNANCE STATEMENT

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website ([www.equamineral.com](http://www.equamineral.com)).

#### **Board of Directors**

The Board is responsible for the Company's corporate governance. 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) maintain and increase shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

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

- (d) developing initiatives for profit and asset growth;
- (e) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (f) acting on behalf of the Company, and being accountable to, the Shareholders; and
- (g) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

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**

Board members are elected by resolution of Shareholders or by resolution of Directors. 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.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

#### **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

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***Ethical standards***

The Board is committed to the establishment and maintenance of appropriate ethical standards.

***Performance evaluation***

In the absence of a nomination committee, the Board will conduct a performance evaluation of its individual Directors on an annual basis. To assist in this process an independent advisor may be used.

Where applicable, the review will include:

- (a) comparing the performance of the Board with the requirements of the Board Charter as set out in the Company's Corporate Governance Plan;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

***Independent professional advice***

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

***Remuneration arrangements***

The remuneration of an executive Director will be decided by the Board.

The total maximum remuneration of non-executive Directors is initially set by the Articles and subsequent variation is by resolution of Shareholders in general meeting in accordance with the Articles, the BVI Business Companies Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

***Trading policy***

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

***External audit***

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

***Audit committee***

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

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**Diversity policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled work force, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

**Departures from Recommendations**

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations are set out below:

PRINCIPLES AND RECOMMENDATIONS		COMMENT
<b>1.</b>	<b>Lay solid foundations for management and oversight</b>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Plan 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.	The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company.  The chair will monitor the Board and the Board will monitor the performance of any senior executives who are not Directors, including measuring actual performance against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	Explanation of departures from Principles and Recommendations 1.1 and 1.2 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 1.1 and 1.2 (if any) in its future annual reports.  No formal performance evaluation of senior executives has taken place to date. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.  The Corporate Governance Plan, which includes the Board Charter, is posted on the Company's website.
<b>2.</b>	<b>Structure the board to add value</b>	
2.1.	A majority of the board should be independent directors.	The Company is currently in compliance with this recommendation as two of the three directors are independent.
2.2.	The chair should be an independent director.	The Company is currently not in compliance with this recommendation as Colin Ikin has an indirect beneficial interest in a substantial shareholder of the Company.  The Board believes that the Company, in its current size and level of complexity, cannot justify the expense of searching for, and appointing, an Independent Chairman of the same experience as Mr Ikin.
2.3.	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company is not currently in compliance with this recommendation as Colin Ikin is the Executive Chairman of the Company, and as such, exercises the roles of both chair and chief executive officer.

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PRINCIPLES AND RECOMMENDATIONS		COMMENT
2.4.	The board should establish a nomination committee.	<p>No formal nomination committee has been established by the Company as yet as the Board considers the Company is not currently of the relevant size or complexity to warrant the formation of a nomination committee. The Board, as a whole, currently serves as the nomination committee.</p> <p>The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee.</p> <p>Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.</p> <p>Once the Board deems that the Company warrants a Nomination Committee, one will be formed in compliance with this Recommendation.</p>
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	<p>The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company.</p> <p>The Chair will review the performance of the Board, its committees (if any) and individual directors to ensure that the Company continues to have a mix of skills and experience necessary for the conduct of its activities.</p>
2.6.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	<p>The Company has provided details of each director, such as their skills, experience and expertise relevant to their position in this annual report and will also provide these details on its website and in future annual reports.</p> <p>Explanation of departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) in its future annual reports.</p> <p>No performance evaluation of the Board, its committees and individual directors has taken place to date as this process is conducted annually and the first year of evaluation has not been completed. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.</p> <p>The Corporate Governance Plan, which includes the Nomination Committee Charter, is posted on the Company's website.</p>
<b>3.</b>	<b>Promote ethical and responsible decision-making</b>	
3.1.	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> <li>the practices necessary to maintain confidence in the company's integrity</li> <li>the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</li> <li>the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	<p>The Company's Corporate Governance Plan includes a '<i>Corporate Code of Conduct</i>', which provides a framework for decisions and actions in relation to ethical conduct in employment.</p>

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<b>PRINCIPLES AND RECOMMENDATIONS</b>		<b>COMMENT</b>
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 measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company's Corporate Governance Plan includes a <i>'Diversity Policy'</i> , which provides a framework for establishing measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.
3.3.	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	This disclosure has not yet been made as the first year as a listed company has not been completed. Future annual reports will disclose the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.
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.	This disclosure has not yet been made as the first year as a listed company has not been completed. Future annual reports will disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.
3.5.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 3</i> .	Explanation of departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) in its future annual reports. The Corporate Governance Plan, which includes the Corporate Code of Conduct and Diversity Policy, is posted on the Company's website.
<b>4.</b>	<b>Safeguard integrity in financial reporting</b>	
4.1.	The board should establish an audit committee.	No formal Audit Committee has been established by the Company as yet as yet as the Board considers the Company is not currently of the relevant size or complexity to warrant the formation of an Audit Committee. The Board, as a whole, currently serves as the audit committee. Once the Board deems that the Company warrants a Audit Committee, one will be formed in compliance with this Recommendation.
4.2.	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>• consists only of non-executive directors</li> <li>• consists of a majority of independent directors</li> <li>• is chaired by an independent chair, who is not chair of the board</li> <li>• has at least three members.</li> </ul>	Whilst the Audit Committee is not structured in the manner set out in the Principles and Recommendations, the Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive. As the operations of the Company develop the Board will reassess the formation of the audit committee.
4.3.	The audit committee should have a formal charter.	The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses its specific responsibilities.

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<b>PRINCIPLES AND RECOMMENDATIONS</b>		<b>COMMENT</b>
4.4.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	Explanation of departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) in its future annual reports.  The Corporate Governance Plan, which includes the Audit & Risk Committee Charter, is posted on the Company's website.
<b>5.</b>	<b>Make timely and balanced disclosure</b>	
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.	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2.	Companies should provide the information indicated in Guide to Reporting on Principle 5.	The Company has not currently departed from Principle and Recommendation 5.1. The Company will provide an explanation of any departures from Principle and Recommendation 5.1 (if any) in its future annual reports.  The Corporate Governance Plan, which includes a continuous disclosure program, is posted on the Company's website.
<b>6.</b>	<b>Respect the rights of shareholders</b>	
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.	The Company's Corporate Governance Plan includes a shareholders communication strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.
6.2.	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company has not currently departed from Principle and Recommendation 6.1. The Company will provide an explanation of any departures from Principle and Recommendation 6.1 (if any) in its future annual reports.  The Corporate Governance Plan, which includes a shareholders communication strategy, will be posted on the Company's website.
<b>7.</b>	<b>Recognise and manage risk</b>	
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company's Corporate Governance Plan includes a risk management policy.  The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

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PRINCIPLES AND RECOMMENDATIONS		COMMENT
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.	<p>The Company's Corporate Governance Plan includes a risk management policy.</p> <p>The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board Meetings.</p>
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.	<p>The Company has not yet been required to lodge financial statements in Australia and as a result no declaration has been required.</p> <p>Reports on risk management are to be provided to the Board by management or the executive director(s) responsible for the management of the individual risk.</p> <p>The Board will seek the relevant assurance from the management and the executive directors (or their equivalents) at the relevant time.</p>
7.4.	Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	<p>The Company has not currently departed from Principle and Recommendation 7.1, 7.2 and 7.3. The Company will provide an explanation of any departures from Principle and Recommendation 7.1, 7.2 and 7.3 (if any) in its future annual reports.</p> <p>The Corporate Governance Plan, which includes a risk management policy, is posted on the Company's website.</p>
<b>8.</b>	<b>Remunerate fairly and responsibly</b>	
8.1.	The board should establish a remuneration committee.	<p>The Board has not established a formal Remuneration Committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the Board, currently serves as a remuneration committee.</p> <p>The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities.</p> <p>Remuneration to the executive directors is by way of salary only and to non-executive directors by way of director fees only, with the level of such salary or fees as the context requires, having been set by the Board to an amount it considers to be commensurate for a company of its size and level of activity.</p> <p>There is currently no link between performance and remuneration, however, it is the intention of the Board to re-assess this once the Company commences operations. Further there are no schemes for retirement benefits in existence.</p>

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PRINCIPLES AND RECOMMENDATIONS	COMMENT
8.2. The remuneration committee should be structured so that it: <ul style="list-style-type: none"> <li>• consists of a majority of independent directors</li> <li>• is chaired by an independent director</li> <li>• has at least three members</li> </ul>	Although no formal remuneration committee has been established, the Board currently serves as the remuneration committee. The composition of the Board is such that the Company does not currently comply with this recommendation.
8.3. Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board has distinguished the structure of non executive director's remuneration from that of executive directors and senior executives. The Company's Articles of Association provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum set by the Articles of Association and subsequently varied by resolution at a general meeting of shareholders. The Board is responsible for determining the remuneration of executive directors and senior executives. It is the Board's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating executive directors and senior executives fairly and appropriately with reference to relevant employment market conditions and by linking the nature and amount of executive directors' and senior executives emoluments to the Company's financial and operational performance.
8.4. Companies should provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	Explanation of departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) are set out above. The Company will also provide an explanation of any departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) in its future annual reports. The Corporate Governance Plan, which includes the Remuneration Committee Charter, is posted on the Company's website.

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**ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

**1 Shareholding as at 23 September 2013**

**(a) Distribution of Shareholders**

Category (size of holding)	Number of Shareholders
1 – 1,000	6
1,001 – 5,000	18
5,001 – 10,000	126
10,001 – 100,000	83
100,001 – and over	32
	265

**(b)** The number of shareholdings held in less than marketable parcels is 16.

**(c) Voting Rights**

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

CDIs

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

**(d) 20 Largest Shareholders — CDIs as at 23 September 2013**

Name	Number of CDIs Held	% Held of Issued Ordinary Capital
1. Ns Hong Investment (BVI) Ltd	4,700,000	18.50
2. R & H Trust Co (Guernsey) Limited <Resource Investment A/C>	4,067,263	16.01
3. Woolstores Developments Pty Ltd	3,868,580	15.23
4. Francis Corrigan + Debra Kaye Corrigan <The Siesta A/C>	884,094	3.48
5. Macquarie Bank Limited	773,716	3.05
6. WB Nominees Limited	558,029	2.20
7. Moez Daya and Partners	483,572	1.90
8. Tranaj Nominees Pty Ltd <FT Family A/C>	435,000	1.71
9. Bodie Investments Pty Ltd	350,000	1.38
10. Melbourne Capital Limited	350,000	1.38
11. Mr D J Ikin + Mrs I Ikin <The Ikin Super Fund A/C>	345,000	1.36
12. Mrs R Paneth + Mrs j Bierenkrant <Ruth Paneth S/F A/C>	325,967	1.25
13. JP Morgan Nominees Australia Limited	290,000	1.14
14. Mr Benjamin Robert Ikin	288,290	1.13
15. Mr Joakim Ramen	250,000	0.98
16. Mr Brian T Coveney	244,000	0.96

## Equamineral Holdings Limited

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#### ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

17. Vynben Pty Ltd <Mark Hohnen Super Fund A/C>	240,000	0.94
18. Nino Constructions Pty Ltd	237,000	0.93
19. Mr Colin Robert Ikin	225,000	0.89
20. Ekirtson Nominees Pty Ltd <Gfcr Investment A/C>	219,122	0.86
	<b>19,134,633</b>	<b>75.33</b>

- 2** The names of the Joint Company Secretaries are Ms Julia Beckett and Mr James Cole.
- 3** The address of the principal registered office in Australia is Level 4, 66 Kings Park Road West Perth WA 6005. Telephone (08) 6141-3500.
- 4** **Registers of securities are held at the following addresses**  
Computershare Investor Services Limited  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
Perth, Western Australia 6000
- 5** **Securities Exchange Listing**  
Quotation has been granted for all the CDIs of the Company on all Member Exchanges of the Australian Securities Exchange Limited.
- 6** **Unquoted Securities**  
**Options over Unissued Shares**  
A total of 1,200,000 options over unissued CDIs are on issue.
- 7** **Use of Funds**  
The Company has used its funds in accordance with its initial business objectives.

#### TENEMENT SCHEDULE

Project Location	Project
Republic of Congo	Oyabi Project