EQUAMINERAL

ARBN 154 618 989

ANNUAL REPORT

FOR THE PERIOD
23 JUNE 2011 - 30 JUNE 2012

CORPORATE DIRECTORY

Directors

Mr Colin Ikin	Executive Chairman
Mr Robert Timmins	Non-Executive Director
Mr David Porter	Non-Executive Director

Joint Company Secretaries
Ms Julia Beckett
Mr James Cole

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West Perth WA 6005
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Facsimile 08 6141 3599
Email www.equamineral.com

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British Virgin Islands

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Auditor
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Securities Exchange Listing
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ASX Code: EQH

Equamineral Holdings Limited
ABRN 154 618 989
ANNUAL REPORT

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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 period of incorporation dated from the 23 June 2011 to 30 June 2012.

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 Colin Ikin	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 period:

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 5 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 the period 23 June 2011 to 30 June 2012 amounted to $211,547 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 period:

i. On 23 June 2011 the company was incorporated and registered in the British Virgin Islands (BVI). On issue were 25,849,289 CDI's;
ii. On 20 July 2011 the Oyabi license was granted to ESA Congo for a period of three years;
iii. On 1 December 2011 the company consolidated the existing CDIs by 15,849,283 thus reducing CDIs outstanding to 10,000,006, and
iv. On 1 December 2011 the company granted 1,200,000 management options to directors and other personnel.

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

Dividends Paid or Recommended
No dividends were declared or paid during the period and the Directors do not recommend the payment of a dividend.

DIRECTORS' REPORT

Information on Directors

Colin Ikin	Executive Chairman - Appointed 23 June 2011
Qualifications	Stockbroker
Experience	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.
Interest in CDIs and Options	225,000 CDI's held directly and 3,868,580 CDI's held indirectly Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Current Executive Chairman of Namibian Copper NL.

Robert Timmins	Non-Executive Director – Appointed 24 November 2011
Qualifications	Geophysicist
Experience	Robert (Bob) Timmins has 38 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.
Interest in CDIs and Options	Nil CDIs 500,000 options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Current Non-Executive Director of Namibian Copper NL.

DIRECTORS' REPORT

David Porter	Non-Executive Director – Appointed 8 January 2012
Qualifications	Geologist, BSc (Hons), MSc, FIMM
Experience	David has 40 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 Gasgoyne Gold Mines NL from 1989 until 1996, and managed the Yilgarn Star feasibility study in 1990/1991. Gasgoyne 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	110,000 CDIs held indirectly 500,000 options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Nil

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 period are:

	Directors' Meetings	
Name	**Number attended**	**Number eligible to attend**
Colin Ikin	4	4
Robert Timmins	4	4
David Porter	2	1

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.

The Non-executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

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

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.

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 period 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 period ended 30 June 2012 are set out in the following tables:

For the period ended 30 June 2012

	Short-term benefits		Post-employment benefits	Equity			
	Salary and fees	Other benefits	Superannuation	Share-based payment options	Other payments	Total	Performance - based
Name	$	$	$	$	$	$	%
Directors:							
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	-

DIRECTORS' REPORT

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 has entered into a service agreement with Mr Colin Ikin to act in the capacity as Executive Chairman of the Company.

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.

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

E. Equity instruments issued on exercise of remuneration options
There were no equity instruments issued during the period 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 period ended 30 June 2012.

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

DIRECTORS' REPORT

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

Expiry date	Exercise Price	Number under option
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

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.

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 period the Company paid a premium of $9,417 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 period.

Non-audit Services
Stantons International has not provided any non-audit services during the period.

Auditor's Independence Declaration
The lead auditor's independence declaration for the period ended 30 June 2012 has been received and can be found on page 10 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
EXECUTIVE CHAIRMAN
Dated at Perth 27 September 2012

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27 September 2012

Board of Directors
Equamineral Holdings Limited
Level 4, 66 Kings Park Road
West Perth WA 6005

Dear Directors

RE: EQUAMINERAL HOLDINGS LIMITED

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

As Audit Director for the audit of the financial statements of Equamineral Holdings Limited for the period ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John P Van Dieren

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012

	Note	23 June 2011 to 30 June 2012
		$
Revenue – interest income		1,155
Other – exchange gains		5,615
Professional fees		(2,459)
Audit fees		(10,000)
Compliance fees		(3,610)
Directors' fees		(54,932)
Computer and website expense		(6,545)
Share based payment expense		(89,536)
Employees' benefits		(9,262)
Travel and accommodation		(31,213)
Other administration expenses		(13,360)
Loss before income tax		(214,147)
Income tax expense	4	-
Loss for the period		(214,147)
Other comprehensive income		-
Total comprehensive loss for the period		(214,147)
Loss for the period attributable to:		
Owners of Equamineral Holdings Limited		(211,547)
Non-controlling interests		(2,600)
		(214,147)
Total comprehensive loss from continuing operations for the period is attributable to:		
Owners of Equamineral Holdings Limited		(211,547)
Non-controlling interests		(2,600)
		(214,147)
Basic and diluted loss per share (cents)	8	(1.91)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 $
Current assets		
Cash and cash equivalents	**9**	2,188
Other receivables	**10**	40,748
Other assets	**11**	255,021
Total current assets		297,957
Non-current assets		
Exploration and evaluation expenditure	**12**	350,947
Total non-current assets		350,947
Total assets		648,904
Current liabilities		
Trade and other payables	**13**	369,169
Other liabilities	**14**	123,148
Total current liabilities		492,317
Total liabilities		492,317
Net assets		156,587
Equity		
Issued capital	**15**	281,198
Reserves	**16**	89,536
Accumulated losses		(211,547)
Capital and reserves attributable to owners of Equamineral Holdings Limited		159,187
Non-controlling interests		(2,600)
Total equity		156,587

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

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

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 23 June 2011	-	-	-	-	-	-	-
Loss attributable to members of the Company	-	-	-	(211,547)	(211,547)	(2,600)	(214,147)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(211,547)	(211,547)	(2,600)	(214,147)
Transactions with owners, recognised directly in equity							
CDIs issued during the period, net of costs	281,198	-	-	-	281,198	-	281,198
Options issued to employee	-	89,536	-	-	89,536	-	89,536
Balance at 30 June 2012	281,198	89,536	-	(211,547)	159,187	(2,600)	156,587

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012

	Note	23 June 2011 to 30 June 2012 $
Cash flows from operating activities		
Payments to suppliers and employees		(66,489)
Interest received		1,155
Net cash used in operating activities	**18**	(65,334)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure		(204,251)
Loan to third party		(20,272)
Net cash used in investing activities		(224,523)
Cash flows from financing activities		
Proceeds from issue of CDIs		290,000
Deferred capital raising costs paid		(32,955)
Proceeds from loans		35,000
Net cash from financing activities		292,045
Net increase in cash and cash equivalents		2,188
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of financial period	**9**	2,188

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

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.

(i) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

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

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

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

(ii) Statement of Compliance

The financial report was authorised for issue on 27 September 2012.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

(iii) Critical accounting estimates and judgements

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.

(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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Statement of Comprehensive Income 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 Statement of Comprehensive Income.

(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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(s) Comparative information

No comparative information is disclosed as the company was incorporated on 23 June 2011 and this is the first reporting period of the company.

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.

NOTE 3: LOSS BEFORE INCOME TAX

		23 June 2011 to 30 June 2012
(a) Significant revenues and expenses		**$**
The following significant revenue and (expense) items are relevant in explaining the financial performance:		
-	Audit fees	(10,000)
-	Directors fees	(54,932)
-	Share based payment expense	(89,536)

NOTE 4: INCOME TAX EXPENSE

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 period.

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel ("KMP")

Names and positions held of KMP in office at any time during the period 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 period are as follows:

(b) KMP compensation	**23 June 2011 to 30 June 2012 $**
Short-term benefits	64,106
Post employment benefits	-
Share based payment expense	74,614
Other payments	-
	138,720

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTNUED)

(c) Equity instruments disclosure relating to KMP

The number of CDIs held by Directors and KMP of the Company during the period ended 30 June 2012, including their personally related parties, are set out below:

Shares **Name**	**Balance at 23 June 2011**	**Granted as compensation**	**Options Exercised**	**Bought & (Sold)**	**Balance at 30 June 2012**
Colin Ikin	-	-	-	-	-
Indirect [1]	3,868,580	-	-	-	3,868,580
Robert Timmins	-	-	-	-	-
David Porter	-	-	-	-	-
Indirect		-	-	-	
	-	-	-	-	-
Total	**3,868,580**	**-**	**-**	**-**	**3,868,580**

[1] These CDIs are held by the following personally related parties of Colin Ikin:

- Woolstores Developments Pty Ltd (Spouse)

KMP held 1,200,000 unvested options in the Company at 30 June 2012.

(d) Loans to KMP

There were no loans made to or from KMP of the Company during the period ended 30 June 2012.

(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	**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 period are set out below:	
Remuneration of the auditor of the Group for:	
Auditor's services	
Audit of financial report	10,000

NOTE 8: BASIC AND DILUTED LOSS PER CDI	**2012**
	$
Basic and diluted loss per CDI (cents)	(1.91)
Loss attributable to members of Equamineral Holdings Limited	(211,547)
Weighted average number of CDI outstanding during the period	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 period ended 30 June 2012 are the same as basic loss per CDI.

NOTE 9: CASH AND CASH EQUIVALENTS

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

NOTE 10: OTHER RECEIVABLES

CURRENT

GST Receivable	20,476
Other receivable – Namibian Copper	20,272
	40,748

NOTE 11: OTHER ASSETS	**Note**	**2012**
Current		**$**
Prepayment – deferred capital raising costs		245,639
Prepayment – other		9,382
		255,021

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE

Exploration at cost

Balance at the beginning of the period	-
Acquisition of tenements	-
Exploration of tenements	350,947
Exploration expenditure written off	-
	350,947

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	274,173
Accrued expenses	94,996
	369,169

NOTE 14: OTHER LIABILITIES	**2012**
CURRENT	**$**
Loan to Cominco Resources	123,148
	123,148

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 2012 the amount in Euros was € 99,651 and an unrealised gain of $3,763 was recognised in the income statement.

NOTE 15: ISSUED CAPITAL	**Note**	**Number**	**$**
(a) Issued and paid up capital			
12,900,006 CDIs		12,900,006	281,198
Total issued capital			281,198

(b) Movements in CDIs

	Date	**Number**	**$**
Balance at date of incorporation	23/06/2011	25,249,289	-
Consolidation of CDIs	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)
Balance at the end of the period	30 June 2012	12,900,006	281,198

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 of 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.

NOTE 15: ISSUED CAPITAL (CONTINUED)

(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 2012 is as follows:

	2012
	$
Cash and cash equivalents	2,188
Other receivables	40,748
Trade and other payables *	(492,317)
	(449,381)

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

* Subsequent to the end of the reporting period the Group successfully listed on the ASX and raised $2,500,000 to be used to fund the Groups' exploration and corporate overheads. Refer to Note 24 for additional information.

NOTE 16: RESERVES

a) Option Reserve

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

b) Foreign Currency Translation Reserve

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

NOTE 17: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2012:

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 Key Management Personnel are as follow:

Grant Date	Number
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:

	Number	Weighted Average Exercise Price
Options outstanding as at 23 June 2011	-	-
Granted	1,200,000	$0.30
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2012	1,200,000	$0.30
Options exercisable as at 30 June 2012	-	-

The values of options issued during the period were calculated applying the following inputs:

	Options
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 18: CASH FLOW INFORMATION	**23 June 2011 to 30 June 2012**
Reconciliation of cash flow used in operating activities to loss after income tax	**$**
Loss after income tax	(214,147)
Adjustments for:	
Share based payment	89,536
Unrealised foreign exchange gain on trade payables	(3,764)
Changes in assets and liabilities	
(Increase)/ Decrease in other receivables	(20,476)
(Increase)/ Decrease in prepayment	(9,382)
Increase/ (Decrease) in trade and other payables	92,899
Cash flow (used in)/from operating activities	(65,334)

Non Cash Financing and Investing Activities
As disclosed in Note 14: Equamineral received a loan during the period from Cominco Resources. Of the AUD amount $35,000 was received in cash whilst the remaining were payments made directly by Cominco for capital raisings costs $8,802 and capitalised exploration $83,109.

NOTE 19: 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 20: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, 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:

		2012
		$
Financial assets		
Cash and cash equivalents	**9**	2,188
Other receivables	**10**	40,748
Total financial assets		**42,936**
Trade and other payables	**13**	369,169
Borrowings	**14**	123,148
Total financial liabilities		**492,317**

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

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk (including fair value interest rate risk and price risk) and cash flow interest rate 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 not exposed to securities price risk as it has no investments as held for trading or for medium to longer terms.

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.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

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 2012, the group has financial assets denominated in the foreign currencies detailed below:

	Foreign Currency	AUD Equivalent
CFA	527,270	1,018

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

At 30 June 2012, the group has liabilities denominated in the foreign currencies detailed below:

	Foreign Currency	AUD Equivalent
GBP	2,838	4,362
Euro	123,534	152,662
USD	6,759	6,868
Rand	206,167	24,539
		188,431

A 5% movement in foreign exchange rates would increase or decrease loss before tax by approximately $9,422.

(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.

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

Financial assets	**Credit Quality**	**2012 $**
Cash and cash equivalents held at BGFI Bank	High	1,018
Cash and cash equivalents held at Westpac Bank		
- Interest-bearing deposit	High	1,170
Other receivables	High	40,748
		42,936

Impairment losses

There are no past due receivables for the Group.

(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.

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

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.

As at 30 June 2012	Carrying Amount	Contractual Cash flows	<3 months	3-6 months	6-24 months
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

* Subsequent to the end of the reporting period the group successfully listed on the ASX and raised $2,500,000 to be used to fund the Groups' exploration and corporate overheads. Refer to Note 24 for additional information.

(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 is not deemed material at 30 June 2012 as financial liabilities were non-interest bearing and the Group did not have a material cash balance.

Cash flow sensitivity analysis for variable rate instruments

At 30 June 2012 the Group did not have a material cash balance and therefore exposure to interest rate risk was not deemed material.

(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 21: 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

	Note	2012
		$
ASSETS		
Current assets		296,938
Non-current assets		-
TOTAL ASSETS		296,938
LIABILITIES		
Current liabilities		492,317
Non-current liabilities		-
TOTAL LIABILITIES		492,317
NET ASSETS/ (LIABILITIES)		(195,379)
EQUITY		
Issued capital		281,198
Reserves		89,536
Accumulated losses		(566,113)
TOTAL EQUITY		(195,379)

(b) Statement of Comprehensive Income

Total Loss	(566,113)
Total comprehensive income	(566,113)

(c) Guarantees

There are no guarantees entered into by Equamineral Holdings Limited for the debts of its subsidiary as at 30 June 2012.

(d) Contingent liabilities

There were no contingent liabilities as at 30 June 2012.

(e) Commitments

There were no commitments as at 30 June 2012.

NOTE 22: CAPITAL COMMITMENTS

	2012 $
Capital expenditure commitments:	
Capital expenditure commitments for:	
Mining concession commitments	869,053
Payable:	
Not longer than 1 year	750,000
Longer than 1 year and not longer than 5 years	119,053
Longer than 5 years	-
	869,053

The Oyabi licence conditions require approximately $1,220,000 (being the equivalent of € 975,000) to be spent over the next three years on exploration. For the period ending 30 June 2012 $350,947 had been spent on the licence conditions.

NOTE 23: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2012.

NOTE 24: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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.

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

NOTE 25: COMPANY DETAILS

Registered Address and Place of Incorporation
Palm Grove House
49 Main Street
Road Town Tortola VG1 110
British Virgin Islands

Registered office in Australia
Level 6, 66 Kings Park Road
West Perth WA 6005
Telephone: 08 6141 3500
Fascimile: 08 6141 3599
Website: www.equamineral.com
Email: info@equamineral.com

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 11 to 34, 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 2012 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 period ended 30 June 2012.

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
DIRECTOR
Dated at Perth on 27 September 2012.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

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Australia

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUAMINERAL HOLDINGS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Equamineral Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 23 June 2011 to 30 June 2012, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the Financial Report

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

Auditor's responsibility

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

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

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

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

Independence

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

Opinion

In our opinion:

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

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

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

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1 (a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 8 of the directors' report for the period ended 30 June 2012. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion
In our opinion the remuneration report of Equamineral Holdings Limited for the period ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
27 September 2012

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).

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:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of the Company, and being accountable to, the Shareholders; and

(d) 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.

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.

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
1.	**Lay solid foundations for management and oversight**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	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 *Guide to reporting on Principle 1*.	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.
2.	**Structure the board to add value**	
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.

CORPORATE GOVERNANCE STATEMENT

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
2.4.	The board should establish a nomination committee.	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. The Company's Corporate Governance Plan includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership. Once the Board deems that the Company warrants a Nomination Committee, one will be formed in compliance with this Recommendation.
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company. 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.
2.6.	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	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. 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. 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. The Corporate Governance Plan, which includes the Nomination Committee Charter, is posted on the Company's website.
3.	**Promote ethical and responsible decision-making**	
3.1.	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Plan includes a *'Corporate Code of Conduct'*, which provides a framework for decisions and actions in relation to ethical conduct in employment.

CORPORATE GOVERNANCE STATEMENT

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
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 *'Diversity Policy'*, 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 *Guide to reporting on Principle 3*.	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.
4.	**Safeguard integrity in financial reporting**	
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: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	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.

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
4.4.	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	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.
5.	**Make timely and balanced disclosure**	
5.1.	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	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.
6.	**Respect the rights of shareholders**	
6.1.	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	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.
7.	**Recognise and manage risk**	
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	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.

CORPORATE GOVERNANCE STATEMENT

	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.	The Company's Corporate Governance Plan includes a risk management policy. 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.
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.	The Company has not yet been required to lodge financial statements in Australia and as a result no declaration has been required. 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. The Board will seek the relevant assurance from the management and the executive directors (or their equivalents) at the relevant time.
7.4.	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	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. The Corporate Governance Plan, which includes a risk management policy, is posted on the Company's website.
8.	**Remunerate fairly and responsibly**	
8.1.	The board should establish a remuneration committee.	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. The Company's Corporate Governance Plan includes a Remuneration Committee Charter, which discloses its specific responsibilities. 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. 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.

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
8.2.	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	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 *Guide to reporting on Principle 8*.	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.

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 10 September 2012

(a) Distribution of Shareholders

Category (size of holding)	Number of Shareholders
1 – 1,000	1
1,001 – 5,000	5
5,001 – 10,000	239
10,001 – 100,000	98
100,001 – and over	32
	375

(b) The number of shareholdings held in less than marketable parcels is 2.

(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 7 September 2012

	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.	Macquarie Bank Limited	773,716	3.05
5.	WB Nominees Limited	558,029	2.20
6.	Moez Daya and Partners	483,572	1.90
7.	Bodie Investments Pty Ltd	350,000	1.38
8.	Melbourne Capital Limited	350,000	1.38
9.	Mr David John Ikin + Mrs Ildiko Ikin	340,000	1.34
10.	Mr Benjamin Robert Ikin	260,291	1.02
11.	Gurney Capital Nominees Pty Ltd	260,000	1.02
12.	JP Morgan Nominees Australia Limited	250,000	0.98
13.	Mr Joakim Ramen	250,000	0.98
14.	Vynben Pty Ltd <Mark Hohnen Super Fund A/C>	240,000	0.94
15.	Scrimshaw Nominees Pty Ltd <Family A/C>	230,000	0.91
16.	Ekirtson Nominees Pty Ltd <Gfcr Investment A/C>	225,000	0.89

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

17. Nefco Nominees Pty Ltd	200,000	0.79
18. Mr David Charles Salmon	200,000	0.79
19. Gede Sanjaya	200,000	0.79
20. Salmic Pty Ltd	180,000	0.71
	17,986,451	**70.81**

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