

# FORM: Half yearly/preliminary final report

Name of *issuer*

MGT Resources Limited and its Controlled Entities

ACN or ARBN

38 131 715 645

Half yearly  
(tick)

Preliminary  
final (tick)

√

Half year/financial year ended  
('Current period')

30/6/2011

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Revenue (item 1.1)	down	33%	to	25,049
Loss for the period (item 1.9)	up	103%	to	1,627,246
Loss for the period attributable to members of the parent (item 1.11)	up	88%	to	1,339,670
<b>Dividends</b>		Current period		Previous corresponding period
Franking rate applicable:		N/A		N/A
<b>Final dividend</b> (preliminary final report only)(item 10.13 – 10.14)		N/A		N/A
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)		N/A		N/A
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

# **Consolidated income statement** *(The figures are not equity accounted)*

*(see note 3)*

*(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A	Previous corresponding period - \$A
1.1 Revenues <i>(item 7.1)</i>	72,572	108,864
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(1,645,751)	(903,802)
1.3 Finance costs	(54,067)	(5,402)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 <b>(Loss) before income tax</b>	(1,627,246)	(800,340)
1.6 Income tax expense/(benefit) <i>(see note 4)</i>	-	-
1.7 (Loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 <b>(Loss) for the period</b>	(1,627,246)	(800,340)
1.10 (Loss) attributable to minority interests	(287,576)	(89,393)
1.11 <b>(Loss) attributable to members of the parent</b>	(1,339,670)	(710,947)
1.12 Basic earnings per security <i>(item 9.1)</i>	(1.29)	(1.40)
1.13 Diluted earnings per security <i>(item 9.1)</i>	(1.29)	(1.40)
1.14 Dividends per security <i>(item 9.1)</i>	N/A	N/A

## **Comparison of half-year profits**

*(Preliminary final statement only)*

	Current period - \$A	Previous corresponding period - \$A
2.1 Consolidated (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(824,246)	(649,030)
2.2 Consolidated (loss) after tax attributable to members for the 2nd half year	(803,000)	(151,310)

## Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

<b>Current assets</b>		Current period -\$A	Previous corresponding period - \$A
3.1	Cash and cash equivalents	2,644,364	959,126
3.2	Trade and other receivables	149,993	273,574
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	144,000	209,936
3.5	<b>Total current assets</b>	<b>2,938,357</b>	<b>1,442,636</b>
<b>Non-current assets</b>			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	3,845,068	3,332,086
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	3,313,471	1,706,656
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	<b>7,158,539</b>	<b>5,038,742</b>
3.18	<b>Total assets</b>	<b>10,096,896</b>	<b>6,481,378</b>
<b>Current liabilities</b>			
3.19	Trade and other payables	368,405	331,733
3.20	Short term borrowings	524,646	51,843
3.21	Current tax payable	-	-
3.22	Short term provisions	53,687	41,306
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		<b>946,738</b>	<b>424,882</b>
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	<b>946,738</b>	<b>424,882</b>
<b>Non-current liabilities</b>			

	Current period - \$A	Previous corresponding period - \$A
3.27 Long-term borrowings	421,796	482,431
3.28 Deferred tax liabilities	-	
3.29 Long term provisions	4,427	3,171
3.30 Other (provide details if material)	-	-
3.31 <b>Total non-current liabilities</b>	426,223	485,602
3.32 <b>Total liabilities</b>	1,372,961	910,484
3.33 <b>Net assets</b>	8,723,935	5,570,894
<b>Equity</b>		
3.34 Share capital	9,076,237	4,252,508
3.35 Other reserves	(92,087)	(51,151)
3.36 Retained earnings	(537,152)	802,518
Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37 <b>Parent interest</b>	1,380,606	769,698
3.38 <b>Minority interest</b>	276,937	567,019
3.39 <b>Total equity</b>	8,723,935	5,570,894

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Revenues recognised directly in equity:	25,049	70,736
Expenses recognised directly in equity:	(562,201)	(873,254)
<b>4.1 Net income recognised directly in equity</b>	<b>(537,152)</b>	<b>802,518</b>
<b>4.2 Loss for the period</b>	<b>(537,152)</b>	<b>802,518</b>
<b>4.3 Total recognised income and expense for the period</b>		
Attributable to:		
4.4 Members of the parent	(1,380,606)	(769,698)
4.5 Minority interest	(287,576)	(89,393)
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

# **Consolidated statement of cash flows**

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period -\$A	Previous corresponding period - \$A
<b>Cash flows related to operating activities</b>		
5.1 Receipts from customers	-	-
5.2 Payments to suppliers and employees	(1,465,395)	(868,545)
5.3 Interest and other costs of finance paid	(54,067)	-
5.4 Income taxes paid	-	-
5.5 Interest and other items of similar nature	25,049	70,736
5.6 <b>Net cash used in operating activities</b>	<b>(1,494,413)</b>	<b>(797,809)</b>
<b>Cash flows related to investing activities</b>		
5.7 Payments for purchases of property, plant and equipment	(512,982)	(833,199)
5.8 Payment for investment in subsidiary	(2,506)	(50,000)
5.9 Payment for purchases of equity investments	(20,303)	(526,934)
5.10 Proceeds from sale of equity investments	92,826	328,602
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.13 Interest and other items of similar nature received	-	-
5.14 Dividends received	-	-
5.15 Payments for exploration costs	(1,687,781)	(1,221,122)
5.16 <b>Net cash used in investing activities</b>	<b>(2,130,746)</b>	<b>(2,302,653)</b>
<b>Cash flows related to financing activities</b>		
5.17 Proceeds from issues of securities (shares, options, etc.)	4,823,729	997,416
5.18 Proceeds from borrowings	421,444	489,794
5.19 Repayment of borrowings	74,500	-
5.20 Dividends paid	-	-
5.21 Other (Lease payments)	(9,276)	(8,313)
5.22 <b>Net cash used in financing activities</b>	<b>5,310,397</b>	<b>1,478,897</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,685,238</b>	<b>(1,621,565)</b>
5.23 Cash at beginning of period (see Reconciliations of cash)	959,126	2,580,691
5.24 Exchange rate adjustments to item 5.23	-	-
5.25 <b>Cash at end of period</b> (see Reconciliation of cash)	<b>2,644,364</b>	<b>959,126</b>

## Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$A	Previous corresponding period \$A
6.1 <b>Loss for the period</b> <i>(item 1.9)</i>	(1,627,246)	(800,340)
Adjustments for:		
6.2 (Gain) on sale of share	(47,523)	(28,755)
6.3 (Gain) on acquisition of subsidiary	-	(9,373)
6.4 Depreciation expense	80,966	65,309
6.5 (Increase)/decrease in current receivables	49,081	(225,784)
6.6 Increase/(decrease) in trade creditors	36,672	245,502
6.7 Increase/(decrease) in other creditors	-	(80,998)
6.8 Increase/decrease in provisions	13,637	36,630
6.9 Increase/decrease in		
6.10 <b>Net cash from operating activities</b> <i>(item 5.6)</i>	(1,494,413)	(797,809)

## **Notes to the financial statements**

### **Details of revenues and expenses**

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A	Previous corresponding period - \$A
Revenue	25,049	70,736
Other income	47,523	38,128
7.1 Total Income	72,572	108,864
Expenses		
7.2 Employee benefits expense	(547,586)	(235,183)
Depreciation and amortisation	(80,966)	(65,309)
Interest Expense	(54,067)	(5,402)
Administration expenses	(359,918)	(275,073)
Other expenses	(657,281)	(328,237)
Total Expenses	(1,699,818)	(909,204)
(Loss) before tax	(1,627,246)	(800,340)

### **Ratios**

	Current period	Previous corresponding period
<b>Loss before tax / revenue</b>		
8.1 Consolidated (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(2,242%)	(735%)
<b>Loss after tax / equity interests</b>		
8.2 Consolidated (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(19%)	(14%)

### Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

See 1.12 and 1.13

### Dividends

- 10.1 Date the dividend is payable

N/A

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

- 10.3 If it is a final dividend, has it been declared?

*(Preliminary final report only)*

- 10.4 The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plans*

N/A

- 10.5 Any other disclosures in relation to *dividends or distributions*

N/A

**Dividends paid or provided for on all securities***(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

		Current period - \$A	Previous corresponding period - \$A	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>	N/A	N/A	N/A
10.6	Current year interim	N/A	N/A	N/A
10.7	Franked dividends	N/A	N/A	N/A
10.8	Previous year final	N/A	N/A	N/A
10.9	Franked dividends	N/A	N/A	N/A
	<b>Dividends proposed and not recognised as a liability</b>	N/A	N/A	N/A
10.10	Franked dividends	N/A		

**Dividends per security***(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

		Current year	Previous year	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>	N/A	N/A	N/A
10.11	Current year interim	N/A	N/A	N/A
10.12	Franked dividends – cents per share	N/A	N/A	N/A
10.13	Previous year final	N/A	N/A	N/A
10.14	Franked dividends – cents per share	N/A	N/A	N/A
	<b>Dividends proposed and not recognised as a liability</b>	N/A	N/A	N/A
10.15	Franked dividends – cents per share	N/A	N/A	N/A

**Exploration and evaluation expenditure capitalised**

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

	Current period \$A	Previous corresponding period \$A
11.1 Opening balance	3,332,086	2,110,964
11.2 Expenditure incurred during current period	512,982	1,221,122
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 <b>Closing balance as shown in the consolidated balance sheet (item 3.10)</b>	<b>3,845,068</b>	<b>3,332,086</b>

**Development properties – N/A**

*(To be completed only by issuers with mining interests if amounts are material)*

	Current period \$A	Previous corresponding period \$A
12.1 Opening balance	N/A	N/A
12.2 Expenditure incurred during current period		
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 <b>Closing balance as shown in the consolidated balance sheet (item 3.11)</b>	<b>N/A</b>	<b>N/A</b>

**Discontinued Operations – N/A**

*(see note 18)*

*(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)*

	Current period – A\$	Previous corresponding period – A\$
13.1 Revenue	N/A	N/A
13.2 Expense	N/A	N/A
13.3 <b>Profit (loss) from discontinued operations before income tax</b>	<b>N/A</b>	<b>N/A</b>
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	N/A	N/A
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	<b>N/A</b>	<b>N/A</b>
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	N/A	N/A

## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous correspondi ng period – A\$
14.1	<b>Preference securities</b> <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.2	Balance at start of period					
14.3	a) Increases through issues					
14.4	a) Decreases through returns of capital, buybacks etc.					
14.5	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.6	<b>Ordinary securities</b> <i>(description)</i>	Fully paid ordinary shares				
14.7	Balance at start of period	52,750,426	52,750,426	various	4,252,508	3,333,096
14.8	a) Increases through issues	6,800,000	6,800,000	\$0.25	1,700,000	1,000,000
		21,433,336	21,433,336	\$0.15	3,215,000	-
	b) Increase through 4 for 1 share split	178,651,278	178,651,278	-	-	-
14.9	c) Decreases through returns of capital, buybacks and capital raising costs.	-	-	-	(91,271)	(80,588)
14.10	Balance at end of period	259,635,040	259,635,040		9,076,237	4,252,508
14.11	<b>Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>	The company has entered into a deed of charge with the Chairman to borrow \$400,000 on 20 <sup>th</sup> June 2010. The loan can be				

		converted to shares at \$0.625 per share.				
14.12	Balance at start of period		-	-	400,000	400,000
14.13	a) Increases through issues		-	-	-	-
14.14	b) Decreases through maturity, converted.		-	-	-	-
14.15	Balance at end of period		-	-	400,000	400,000
		<b>Number issued</b>	<b>Number listed</b>	<b>Paid-up value (cents)</b>	<b>Current period – A\$</b>	<b>Previous correspondi ng period – A\$</b>
14.16	<b>Options</b>  <i>(description &amp; conversion factor)</i>	Issued to Directors and Non- Executive Directors	-	-	-	-
		11,000,000 @12.5 cents	-	-	-	-
		750,000@25 cents	-	-	-	-
		3,000,000@ 10 cents	-	-	-	-
14.17	Balance at start of period	14,500,000	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	14,500,000	-	-	-	-
14.22	<b>Debentures (N/A)</b>  <i>(description)</i>	N/A	N/A	N/A	N/A	N/A
14.23	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.24	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.25	b) Decreases through maturity,	N/A	N/A	N/A	N/A	N/A

	converted					
14.26	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.27	<b>Unsecured Notes</b>	N/A	N/A	N/A	N/A	N/A
14.28	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.29	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.30	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.31	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.32	<b>Total Securities</b>					

		Current period – A\$	Previous corresponding period – A\$
	<b>Reserves</b>		
14.33	Balance at start of period	(51,151)	7,600
14.34	Transfers to/from reserves	(40,936)	(58,751)
14.35	Total for the period	(40,936)	(58,751)
14.36	Balance at end of period	(92,087)	(51,151)
14.37	<b>Total reserves</b>	(92,087)	(51,151)
	<b>Retained earnings</b>		
14.38	<b>Balance at start of period</b>	802,518	1,513,465
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Loss for the period	(1,339,670)	(710,947)
14.42	Total for the period	(1,339,670)	(710,947)
14.43	Dividends	-	-
14.44	<b>Balance at end of period</b>	(537,152)	802,518

#### Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

N/A

Reporting entities percentage holding

N/A

		Current period - \$A	Previous corresponding period - \$A
15.1	Profit (loss) before income tax	N/A	N/A
15.2	Income tax		
15.3	<b>Profit (loss) after tax</b>	N/A	N/A
15.4	Impairment losses		
15.5	Reversals of impairment losses		
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7	<b>Share of net profit (loss) of associates and joint venture entities</b>	N/A	N/A

**Control gained over entities having material effect**  
(See note 8)

16.1 Name of *issuer* (or *group*)

N/A

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired

16.3 Date from which profit (loss) in *item 16.2* has been calculated

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period

\$A

**Loss of control of entities having material effect***(See note 8)*17.1 Name of *issuer* (or *group*)

N/A

17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control17.3 Date from which the profit (loss) in *item 17.2* has been calculated17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

\$A

**Material interests in entities which are not controlled entities – N/A***The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) ( <i>item 1.9</i> )	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
				Equity accounted	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i> )	
18.4	Total				

## Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A	Previous corresponding period - \$A
<b>Segments</b>		
Revenue:	N/A	N/A
19.1 External sales		
19.2 Inter-segment sales		
19.3 <b>Total</b> (consolidated total equal to item 1.1)		
19.4 Segment result	N/A	N/A
19.5 Unallocated expenses		
19.6 <b>Operating profit</b> (equal to item 1.5)		
19.7 Interest expense	N/A	N/A
19.8 Interest income		
19.9 Share of profits of associates		
19.10 Income tax expense		
19.11 <b>Net profit</b> (consolidated total equal to item 1.9)		
<b>Other information</b>	N/A	N/A
19.12 Segment assets		
19.13 Investments in equity method associates		
19.14 Unallocated assets		
19.15 <b>Total assets</b> (equal to item 3.18)		
19.16 Segment liabilities	N/A	N/A
19.17 Unallocated liabilities		
19.18 <b>Total liabilities</b> (equal to item 3.32)		
19.19 Capital expenditure	N/A	N/A
19.20 Depreciation		
19.21 Other non-cash expenses		

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	Mining Exemption per Note 7	Mining Exemption per Note 7

#### **Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

21.1

N/A

#### **International Financial Reporting Standards**

*Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.*

22.1

N/A

*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2

N/A

**Comments by directors**

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

**Basis of accounts preparation**

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

N/A

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(l) of AASB 134: Interim Financial Reporting)

N/A

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

To be announced

Date

To be announced

Time

To be announced

Approximate date the annual report will be available

To be announced

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

None

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- ☐ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have not yet been audited or reviewed.
- ☒

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer does not have a formally constituted audit committee.

Sign here:

(Director)

Date:

13/9/2011

Print name:

GARY KUNO