
Montezuma Mining Company Ltd

Annual Report 2011

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1. Letter From the Chairman

The past year saw markets endure a difficult macroeconomic environment with pronounced volatility and continuing uncertainty about the health of major economies. That said, the growth in demand for raw materials in China continued to provide a favourable environment for investment in resource projects and the Company has made good progress on several important fronts.

I am pleased to report another robust year for the Company with the management team, lead by Justin Brown, delivering significant milestones in relation to the two key projects at Butcherbird and Peak Hill. The Company's activities were funded without debt and with minimal dilution which is a real credit to Justin and his team.

We saw some change at Board level, with our esteemed founding Chairman Denis O'Meara retiring, giving me the opportunity to join the team and help guide the Company through what will be an exciting phase of growth.

The Butcherbird Manganese Project continued to develop as a high quality manganese project with work through the year demonstrating the real potential of this discovery to form the basis for Montezuma's transformation from an explorer into a producer.

The copper potential at Butcherbird also continued to develop in a positive direction, with exploration during the year showing that it may well be a large copper sulphide system. Further work is planned.

The Peak Hill gold project also delivered for the Company with a JORC Resource upgrade to an inventory in excess of 500,000 ounces of gold which is a great result. The board is considering various divestment strategies for the Peak Hill gold project. This is not an indictment on the Peak Hill gold potential, rather it is an indication of the quality of the Company's other projects, in particular at Butcherbird.

The Company was active on the corporate front as well. The Auvex Resources position was divested for a cash injection of close to \$3M. There was also an underwriting arrangement in respect of expiring options which saw the maximum possible amount of cash injected into the company. The Company also acquired share positions in two new listed entities Lithex Resources Ltd and Exterra Resources Ltd, a continuation of our long term strategy of funding the Company's core operations through the divestment of non core assets.

The year ahead looks to be another exciting one and we look forward to positive results as we implement our strategies on your behalf. I would also like to take this opportunity to thank you for your continued support.

Yours sincerely

Seamus Cornelius

Chairman

Review of Operations

1.1. Strategy and Objectives

The Company's primary objective continues to be achieving returns for shareholders through proactive exploration and selected strategic acquisitions which add value to the company.

We have continued to deliver on these strategic goals by capitalizing on opportunities funded through the divestment of non-core assets to inject capital into the Company

The Butcherbird manganese deposits have emerged as a potential company making opportunity, the copper potential has continued to develop and justify further investment, and the Peak Hill Project has shown its potential through a significant Resource upgrade to in excess of 500K ounces.

The hard work to date has the Company well placed to build on recent success going forward.

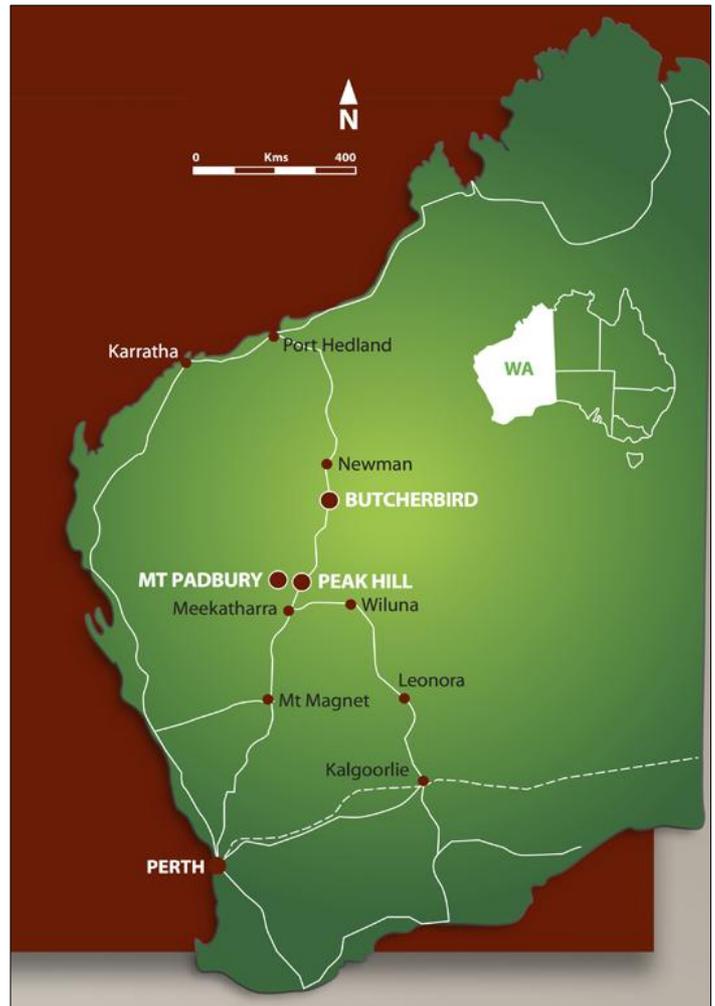
1.2. Exploration

1.2.1. Butcherbird (MZM 100%)

The Butcherbird Project straddles the Great North Highway approximately 120km south of Newman. The land is open with sparse vegetative cover, giving good access to all areas of the licence. Montezuma acquired the project by pegging vacant ground in 2009 and has since significantly advanced both the manganese and copper potential within the Project.

Manganese

Manganese at Butcherbird occurs as a regionally extensive, gently folded, low grade basal shale unit which grades between 4 and 6% Mn. Although this formation is very extensive, the low grades and fine grained nature of the manganese suggests that this feature is unlikely to be commercially useful using conventional processing techniques.



Where this unit intersects the weathering profile, however, the manganese mineralization becomes partitioned into high grade bands within a clay waste matrix. This partitioning during weathering has results in very extensive zones of manganese distributed over at least ten separate deposits that is amendable to low cost mining and beneficiation through conventional processing methods.

The work to date has identified ten key target areas, with a Maiden Resource Estimate for the first of these at Yanneri Ridge having been completed as detailed later in this report.

In addition to the ongoing exploration work, commercial studies on the Yanneri Ridge deposit are underway with a view to developing an export manganese business centred around this deposit.



Resource estimates for several other deposits are underway and expect to be reported to the market in the coming quarters.

RC Drilling

RC Drilling has continued with several campaigns being conducted through out the year further extending the known limits of beneficiable manganese mineralization at Butcherbird. A total of 499 holes were completed for 14,625m.

The manganese mineralization at Butcherbird is notably consistent in widths and grades and occurs over large surface areas. Complete details of the completed drilling are provided in Appendix 1, however typical intersections include:

Prospect	Hole ID	From (m)	Interval (m)	Mn (%)	Including
Coodamudgi	BBRC00003	9	17	12.81	2m @ 20.32
	BBRC00004	10	15	12.24	4m @ 16.99
	BBRC00007	11	2	19.98	1m @ 22.91
	BBRC00010	32	4	18.29	1m @ 28.6
	BBRC00012	20	14	13.83	3m @ 21.07
	BBRC00015	5	18	11.55	2m @ 17.25
Mundiwindi	BBRC00024	3	13	13.11	2m @ 16.17
	BBRC00029	2	10	15.01	5m @ 16.88
	BBRC00032	0	22	12.31	2m @ 18.26
	BBRC00035	15	20	11.86	1m @ 17.28, 1m @ 17.42
	BBRC00038	26	9	18.37	3m @ 28.14

Illgararie Hill	BBRC00042	3	13	11.90	3m @ 15.94
	BBRC00043	2	13	11.78	2m @ 15.52
Richie's Find	BBRC00051	22	6	15.90	3m @ 18.58
	BBRC00055	0	2	17.13	1m @ 19.5
		5	14	12.07	
	BBRC00063	6	14	10.90	1m @ 22.29
	BBRC00106	16	6	16.63	1m @ 23.84
Tangadie	BBRC00076	11	10	10.46	3m @ 13.02
Illgararie Ridge	BBRC00098	17	4	18.31	1m @ 23.92

Diamond Drilling

In addition to the RC drilling, a total of 6 PQ3 diamond core holes were completed for a total of 300m to provide material for metallurgical test-work.

The core obtained from this programme also greatly assisted with our geological understanding of the mineralization, clearly showing the high grade manganese bands interlayered with clay waste. It is this property that makes the mineralization at Butcherbird upgradable and hence commercially interesting.

HOLE ID	NORTHING (MGA)	EASTING (MGA)	RL	DEPTH	AZIMUTH	DIP
10DD01	7297695.51	772298.11	627.16	30	330	-90
10DD02	7297899.84	772795.38	626.74	35	330	-90
10DD03	7297904.51	773300.63	632.37	38	330	-90
10DD04	7298097.56	773898.54	633.51	30	330	-90
10DD05	7297803.36	774099.88	638.04	25	330	-90
10DD06	7297804.14	774903.29	621.63	26	330	-90

Table 1. Diamond drill hole collar information.

Beneficiation Studies

Having confirmed the potential for large tonnages of low grade manganese mineralization with the early RC drilling programmes preliminary beneficiation assessment of RC chip samples produced positive results, returning concentrate grades of up to 37.65% Mn with favourable iron and phosphorous values.

These encouraging results were the catalyst for approving the PQ diamond programme completed later in the year which provided more representative material for analysis and for inclusion in a Scoping Study.

Following the completion for the diamond drilling programme, the core was submitted to Nagrom Laboratories in Kelmscott WA for beneficiation studies.

The first phase of the programme investigated the amenability of the material to upgrade via DMS to produce a lump product. Results from phase 1 (see summary in Table 1 below) confirmed that parts of

the resource at Yanneri Ridge can be relatively easily beneficiated to grades in excess of 35% manganese with good yields and recoveries using relatively simple beneficiation techniques.

Mining Zone Intervals (Process to Cleaner DMS)								
HOLE ID	Concentrate					Feed	Total	
	Yield %	Mn %	Fe %	SiO ₂ %	P %	Mn %	Metres	Kg
10DD01	31.4	35.3	8.9	18.3	0.109	15.4	15.1	108
10DD02	14.7	26.1	16.3	20.3	0.122	10.3	14.9	136
10DD03	20.0	32.9	9.4	19.7	0.108	16.6	16.6	164
10DD04	20.2	28.5	14.2	20.3	0.109	10.2	14.8	154
10DD05	17.3	36.0	8.9	18.4	0.091	11.3	11.4	128
10DD06	18.3	33.2	11.2	19.0	0.087	13.3	11.7	129
Average	20.0	31.8	11.6	19.4	0.104	12.9	84.6	819

Table 2. Lump DMS product grades and mass yields from the diamond core beneficiation studies on the Yanneri Ridge manganese deposit.



Figure 1. RC Drill chips composite 208-2, DMS Tail on left, DMS Concentrate on right.

The phase 1 test work comprised a detailed investigation of hole 10DD03 to determine the optimal process pathway to derive a lump product which was then applied to the remaining core material. The process selected comprised an optimal beneficiation pathway for lump product as follows:

- Trommeling of the whole rock feed to remove clay waste material and derive lump sized rock as DMS feed.
Crushing via jaw crusher.
- Rougher (S.G. 3.0) DMS upgrade of the lump sized feed.
- Cleaner (S.G.3.4) DMS upgrade to yield a product concentrate of medium grades and Secondary product of low grades.

Second phase processing was undertaken to investigate the amenability of the material to further upgrade through crushing of the lump product to <1mm and subsequent separation using wet tables. The results summarised in Table 3 confirm further incremental improvement at finer particle size.

The <1mm grinds of both Cleaner DMS products processed over the wet tables show increasing grades of Mn with lessening gangue grades. These products were viewed under binocular microscope and seen to comprise discrete fine crystals of high grade cryptomelane and manganite and quartzo-feldspathic gangue minerals. This observation has led the Company to believe that further grinding studies using electromagnetic separation may demonstrate further upgrade of the Mn product grades, with consequent improved liberation/loss of silica, alumina and phosphorous. Work is ongoing in this area.

Mineral Resources and Exploration Targets

Following the completion of sufficient infill drilling at Yanneri Ridge, Snowden Mining Industry Consultants (“Snowden”) completed a maiden estimate of the Mineral Resource (classified as an Inferred Resource) for this manganese deposit as detailed below.

Whilst grade continuity and drilling density are adequate to support an Indicated status for the Resource, the Inferred category has been applied due to the preliminary nature of the available beneficiation data at the time of the estimation. It is anticipated that the results from the more detailed metallurgical test-work on the recently acquired PQ3 diamond core samples, may support the Mineral Resource being upgraded to Indicated status at the next review.

Cut-off	Tonnes (Mt)	Mn (%)	SiO ₂ (%)	Fe (%)	P ₂ O ₅ (%)	Al ₂ O ₃ (%)
8% Mn	64.7	11.2	44.3	11.5	0.28	10.9
10% Mn	48.8	11.8	43.6	11.6	0.28	10.7

Table 3. Maiden Inferred Mineral Resource Estimate for Yanneri Ridge:

Prospect	Exploration Targets	
	Tonnage Potential	Grade Estimate
Richies Find	20 to 25 Mt	10 - 11% Mn
Budgie East	3 to 5 Mt	9 - 10% Mn

Budgie North	3 to 5 Mt	9 - 10% Mn
Bindi Bindi Hill	15 to 20 Mt	10 - 12% Mn
Cadgies Flats	1 to 3 Mt	10 - 12% Mn
Coodamudgi	15 to 20 Mt	10 - 12% Mn
Illgararie Ridge	40 to 50 Mt	9 - 11% Mn
Mundiwindi	15 to 20 Mt	11 - 13% Mn
TOTAL	112 to 148 Mt	9 - 13% Mn

Table 4. Exploration Target estimates for known Butcherbird Manganese deposits.

**It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

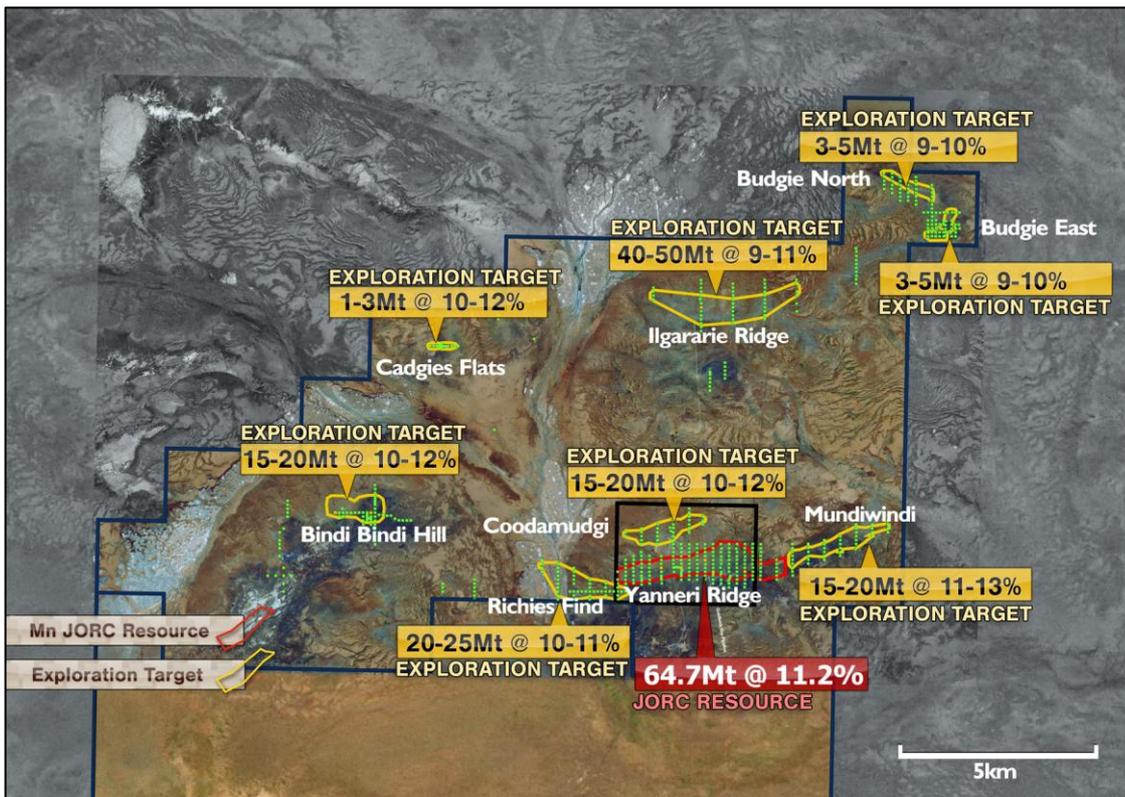


Figure 2. Butcherbird Project plan view showing known manganese deposits, the Yanneri Ridge JORC Resource and the Exploration Target estimates for other deposits.

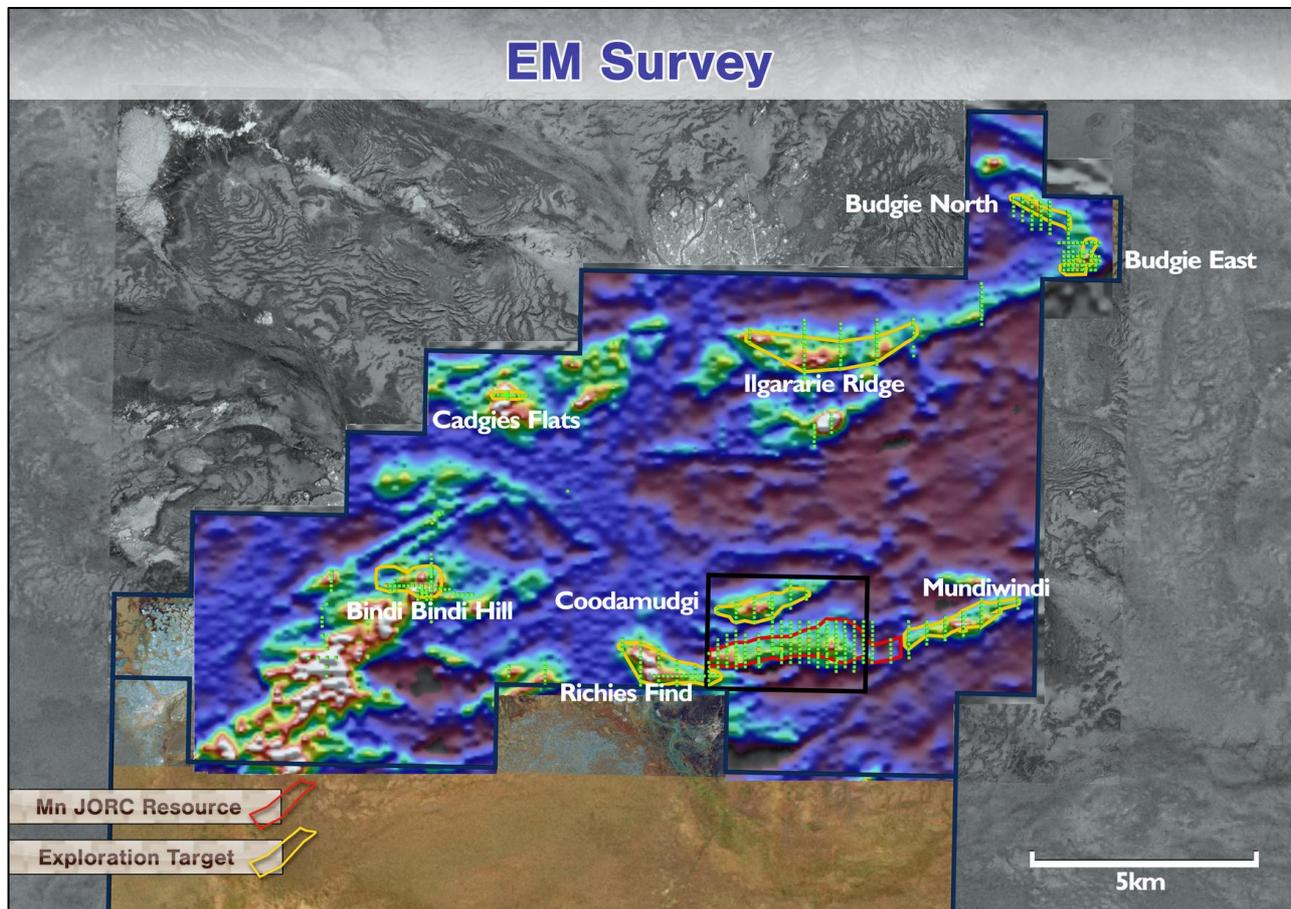
XTEM Survey

A regional XTEM survey was completed over the Butcherbird Project area to assist in drill targeting. The survey was commissioned following the success of the trial XTEM programme completed earlier in the year which tested the geophysical response over several known manganese occurrences within the Project area.

The XTEM system comprises a time domain airborne electromagnetic survey using a transmitter loop and receiver coil slung 30m below a helicopter. The helicopter is flown a nominal 65m above the

ground, at a speed of 45 knots. The survey also measures magnetics and ground levels. This XTEM system is well suited to detecting shallow conducting horizons.

The programme was a clear success with the results guiding the discovery of several new deposits and it will continue to assist our efforts going forward.



Copper

The maiden drilling programme at the historic Butcherbird copper mine was completed during the first Quarter of the year, with the assays returning encouraging high grade copper results from the oxide zone beneath the small scale historic shafts. Follow up deeper drilling subsequently confirmed the presence of a sulphide system at depth. A total 13 holes were completed for 1,084m

In addition to copper the results showed a clear cobalt association as well as anomalous lead and zinc in some zones. Follow up drilling is planned.

Complete assays are listed in Appendix 2, however highlights include:

- **10BBC14** 18m @ 0.63% Cu and 859ppm Co from 154m (including 1m @ 2.43% Cu and 0.55% Co)
10m @ 0.82% Cu and 581ppm Co from 180m (including 3m @ 1.94% Cu and 0.12% Co)
- 10BB07** 10m @ 0.77% Cu and 167ppm Co from 10m

Complete assays have now been received for recent RC drilling at the Butcherbird Copper Prospect. The programme was comprised XX holes for a total of YY metres and was undertaken to test the depth extension of the previously reported downhole intersection of **4m @ 6.97% Cu** and 566ppm Co from 16m in hole 10BBC01.

The best results from the programme were returned from hole 10BBC014 where approximately 38m of alteration and associated copper/cobalt mineralisation was intersected, contained within an alteration envelope comprising pervasive silica replacement of the country rock and associated quartz/carbonate veining. **The alteration continues to the end of the hole** as the rig on site did not have the capacity to drill further with the available equipment.

In addition to the copper, **significant cobalt and silver values** were also returned at levels of significant commercial interest, representing potential credits and confirming the polymetallic nature of the deposit.

These latest results further confirm the Butcherbird copper deposit as a potentially significant new discovery with mineralisation open in all directions and follow up work will be undertaken as a matter of priority.



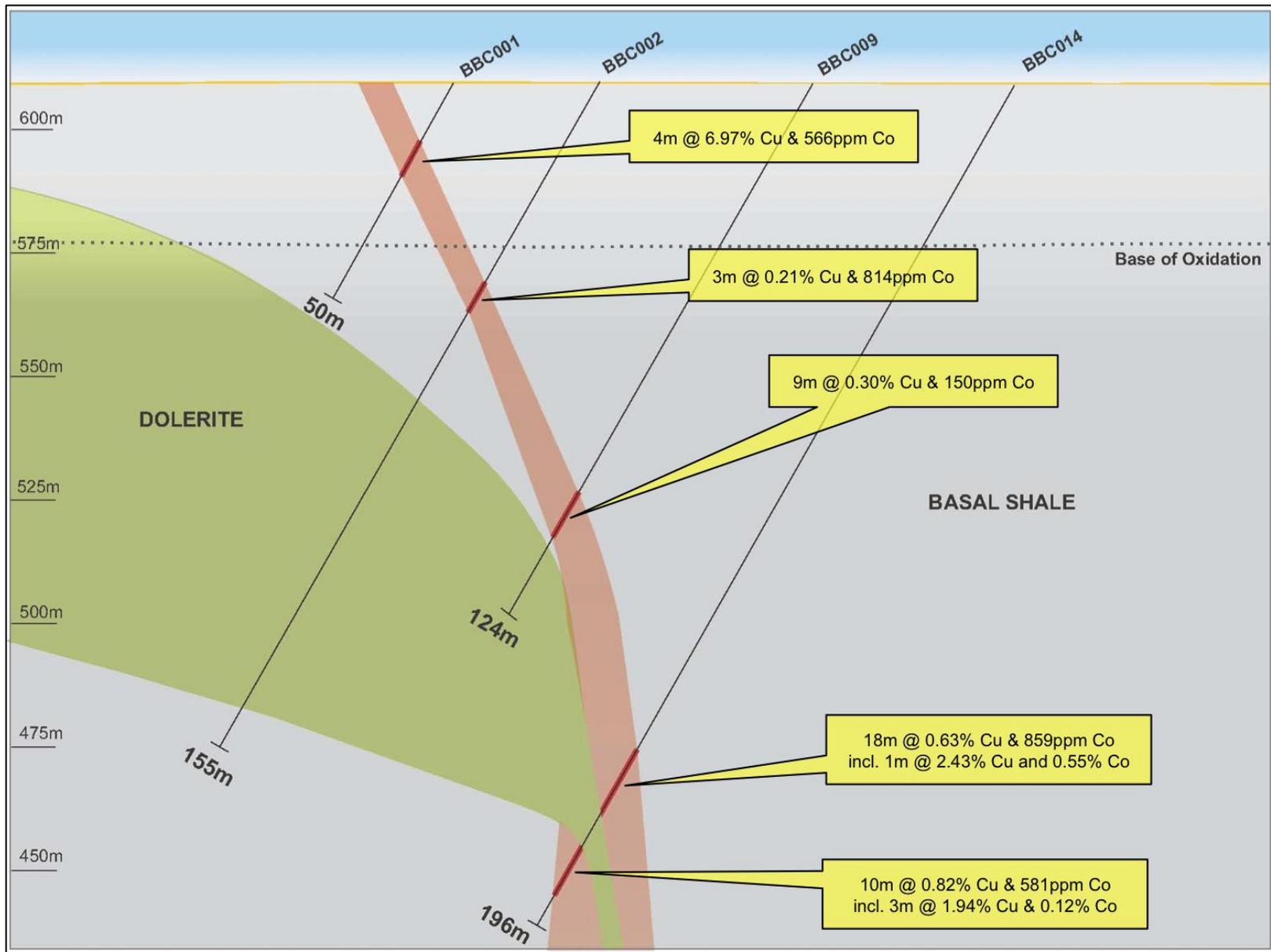


Figure 1. Cross section through Butcherbird Copper Prospect. Composite values calculated using a nominal lower cut of 0.1% copper. All intervals quoted as downhole intersections.

1.2.2. **Peak Hill Mine (MZM 85-100%)**

The Peak Hill Gold Mine was acquired at the beginning of the 2008 financial year from the Barrick and Rio Tinto Groups. Peak Hill is the Company's flagship project and will be the focus of the majority of planned exploration expenditure in the coming year.



Tenements

The Project is located approximately 100 km north of Meekathara and comprises granted mining leases over the main resource areas and several prospecting and exploration licences covering the surrounding target areas for a total of approximately 211 km².

Production History

The project has a strong gold production history having produced from four modern-era open cut pits on top of extensive historical high-grade production from underground mining in the latter part of the 19th century.

Since the 1980's, the Main, Jubilee, Fiveways and Harmony open cut operations have produced approximately 650,000 oz of gold while historically, pre-1913 production yielded around 270,000 oz. The combined ounces confirm the Peak Hill field as a +million ounce high-grade gold system.

The size and grades associated with the system to date is suggestive that the geology is conducive to additional mineralisation with further work, and underpins Montezuma's confidence in making the acquisition.

Ownership History

The history of the Peak Hill mining camp involves a string of successive owners each the subject of takeovers by progressively larger companies, until the project ended in shared ownership under Barrick and Rio Tinto.

Previous holders and operators included Grant's Patch, Forsayth, North, Plutonic, Homestake and finally Rio Tinto and Barrick Gold.

Gold production continued from 1988 until 1997 when the Barrick and Rio joint venture partners took the decision that the reserve potential was insufficient to meet their minimum size criteria and ceased operations.

Resource Upgrade

During the Quarter, the Company received Mineral Resource estimates reported in accordance with the JORC Code 2004 for the Harmony, Mainpit/Fiveways, Durack and Enigma gold deposits within the Peak Hill Project. The Mineral Resource estimates were completed on behalf of the Company by Snowden Mining Industry Consultants (“Snowden”), and combined with the Mineral Resource estimate for the Jubilee deposit completed previously by CSA Global Pty Ltd (“CSA”), enable a global Mineral Resource estimate to be presented for the Peak Hill Project.

Table 5. June 2011 Mineral Resources completed by Snowden.				
Classification	Material	Tonnes (t)	Au (g/t)	Ounces (Oz)
	Oxide	1,270,000	1.24	50,000
INDICATED	Transitional	2,940,000	1.35	128,000
	Fresh	4,960,000	1.58	252,000
TOTAL INDICATED		9,170,000	1.46	430,000
	Oxide	160,000	1.00	5,000
INFERRED	Transitional	80,000	1.12	3,000
	Fresh	1,510,000	1.57	76,000
TOTAL INFERRED		1,750,000	1.50	84,000
SUBTOTAL		10,920,000	1.47	514,000

Table 6. September 2009 Mineral Resources completed for the Jubilee Deposit by CSA.			
Classification	Tonnes (t)	Au (g/t)	Ounces (Oz)
INDICATED	100,000	1.95	6,300
INFERRED	505,000	2.49	40,500
SUBTOTAL	605,000	2.41	46,800

Table 7. Combined Global Mineral Resource Estimated for the Peak Hill Project.			
Classification	Tonnes (t)	Au (g/t)	Ounces (Oz)
INDICATED	9,270,000	1.46	436,000

INFERRED	2,255,000	1.72	125,000
TOTAL	11,525,000	1.51	561,216

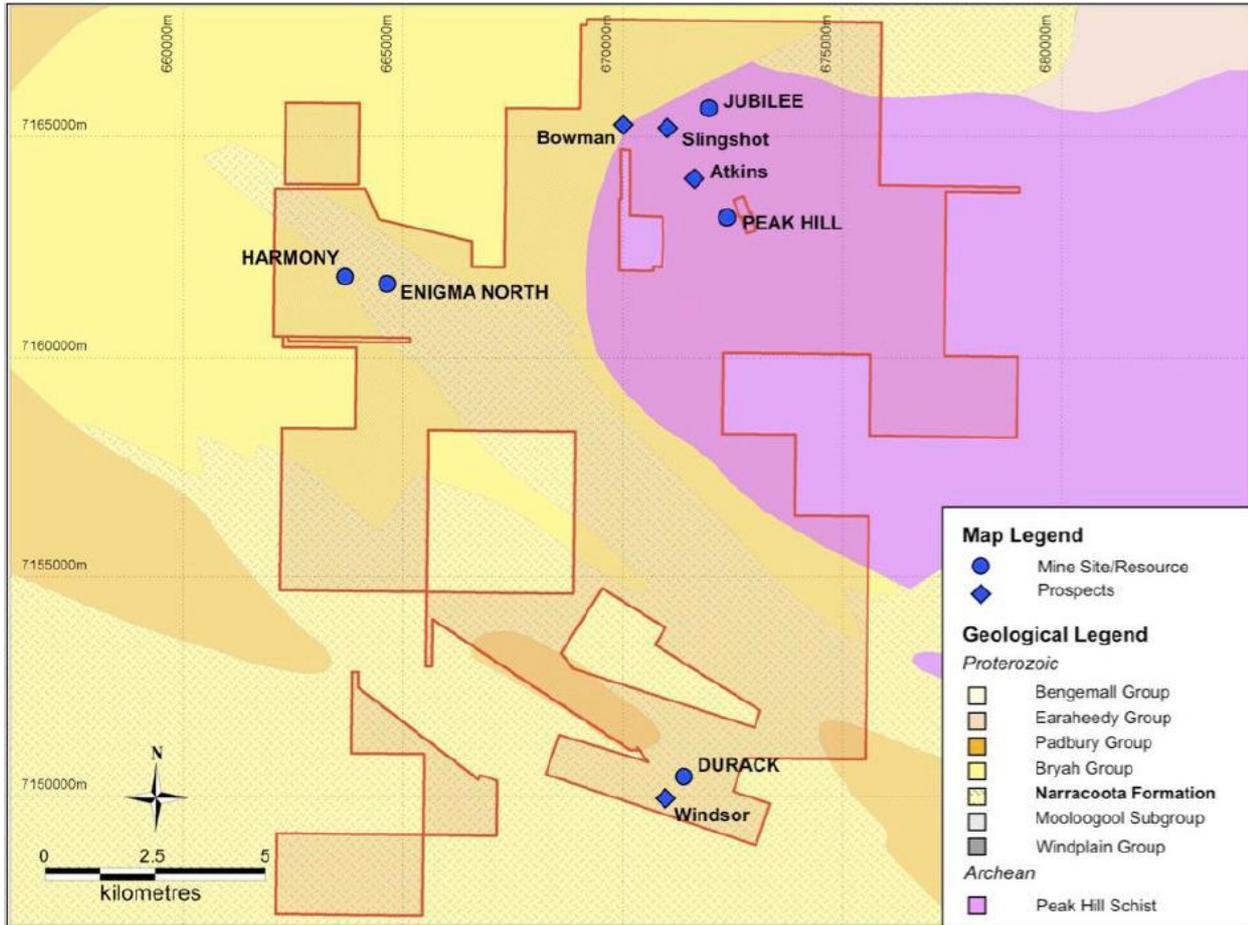


Figure 2. Regional Geology of the Peak Hill gold field showing known deposit locations.

The Peak Hill district is located approximately 125 km north of Meekathara in the northern extent of the Murchison Goldfield in Western Australia. The Peak Hill field includes the following gold deposits: Harmony, Enigma, Durack, Windsor, Bowman, Jubilee, Slingshot, Atkins and Peak Hill. The Peak Hill project is further subdivided into Main Pit/Fiveways and Mt Pleasant. The individual projects are located within 10 km of one another as shown in Figure 2 which also shows the regional geology.

The host lithologies for the gold mineralisation comprise mafic and ultramafic volcanic rocks, turbiditic metasedimentary rocks, banded iron formation and associated clastic sediments, all of which are intensely deformed and metamorphosed (Robertson et. al., 2003). Mineralisation extends up to 100 m to 300 m below surface and is open at depth in some areas.

Snowden Mineral Resource Estimates

In preparing the estimates for the Harmony, Enigma, Durack and Mainpit/Fiveways deposits, Snowden considered material within 150 m of the surface to be suitable for open pit mining and chose a reporting cut-off of 0.8 g/t Au based on similar deposits. Material below 150 m will potentially be mined from underground and has been reported at a cut-off of 2.0 g/t Au based on similar deposits. Density values of between 1.9 and 2.6 g/cm³ were applied dependant on the degree of weathering. The Combined Peak Hill Mineral Resources for Snowden's work are shown in Table 5 with the breakdown by project area in Table 8.

Harmony					
Potential Open Pit and Underground Resource					
Classification	Material	Density	Tonnes	Au	Ounces
Indicated	Oxide	1.9	260,000	1.65	14,000
	Transitional	2.2	850,000	1.54	42,000
	Fresh	2.6	480,000	1.85	29,000
Total indicated		2.3	1,590,000	1.65	84,000
Inferred	Oxide	1.9	40,000	0.88	1,000
	Transitional	2.2	10,000	1.58	1,000
	Fresh	2.6	250,000	2.33	19,000
Total Inferred		2.5	300,000	2.12	20,000

Enigma					
Potential Open Pit and Underground Resource					
Classification	Material	Density	Tonnes	Au	
Indicated	Oxide	1.9	430,000	1.09	15,000
	Transitional	2.2	300,000	1.35	13,000
	Fresh	2.6	780,000	1.15	29,000
Total indicated		2.3	1,510,000	1.17	57,000
Inferred	Oxide	1.9	120,000	1.04	4,000
	Transitional	2.2	0	0.81	0
	Fresh	2.6	190,000	0.93	6,000
Total Inferred		2.3	320,000	0.97	10,000

Durack					
Potential Open Pit and Underground Resource					
Classification	Material	Density	Tonnes	Au	
Indicated	Oxide	1.9	480,000	1.19	18,000
	Transitional	2.2	790,000	1.16	30,000
	Fresh	2.6	1,040,000	1.24	41,000
Total indicated		2.3	2,310,000	1.20	89,000
Inferred	Oxide	-	-	-	-
	Transitional	2.2	50,000	0.99	2,000
	Fresh	2.6	530,000	1.26	21,000
Total Inferred		2.6	580,000	1.23	23,000

Main Pit/Fiveways					
Potential Open Pit and Underground Resource					
Classification	Material	Density	Tonnes	Au	
Indicated	Oxide	1.9	100,000	1.03	3,000
	Transitional	2.2	990,000	1.33	42,000
	Fresh	2.6	2,660,000	1.79	153,000
Total indicated		2.5	3,760,000	1.65	199,000
Inferred	Oxide	-	-	-	-
	Transitional	2.2	20,000	1.34	9,000
	Fresh	2.6	540,000	1.75	30,000
Total Inferred		2.6	560,000	1.74	31,000

Table 8. Individual Mineral Resource estimates completed by Snowden for the Harmony, Enigma, Durack and Mainpit/Fiveways gold deposits.

Montezuma provided hanging wall and foot wall interpretations of the mineralisation for each project area. Snowden used multiple indicator kriging (MIK) as the estimation method due to the multiple mineralisation trends and highly skewed nature of the grade distributions. The laterite at Harmony is the exception as the grade distribution is less skewed and does not show multiple mineralisation trends. The laterite was estimated using ordinary kriging (OK).

The Peak Hill projects of Harmony, Enigma, Durack and Main Pit/Fiveways have been classified as Indicated and Inferred in accordance with the guidelines set out in the JORC Code (JORC, 2004). The sampling methods, drillhole spacing and grade continuity have been considered in the application of the resource categorisation. The absence of Measured Resources, even though there is recent previous mining, is due to the lack of QAQC data and limited density data.

Two of the projects, Harmony and Main Pit/Fiveways, have been mined previously by open pit methods to depths in excess of 100 m. All mined areas have been depleted from the reported Mineral Resources.

CSA Mineral Resource Estimates

In addition to the recent work completed by Snowden, in 2009 CSA Global Pty Ltd. ("CSA") was commissioned by the Company to undertake Mineral Resource estimates for the J2 and J3 zones at the Jubilee gold project, located 2 km north of the historic Peak Hill Mine site. In preparing the estimates (shown in Table 6), CSA used a 1 g/t Au cut off. The deposits were classified, as per the JORC Code (2004), as Inferred and Indicated.

Within the Jubilee project, white mica schist is intruded by a body of metadolerite that has a stratigraphic thickness of up to 250m. Gold mineralisation lies adjacent to both the hanging wall and footwall contacts between the metadolerite and the schist.

The J2 zone is located south of the metadolerite/schist contact with mineralisation occurring within 40 m of the contact. Regionally, gold mineralisation is associated with stratabound quartz veins, however locally the quartz can have multiple orientations. The schist dips shallowly to the west.

The J3 zone is located within the hanging wall along the northern margin of the metadolerite/schist contact. Mineralised quartz veins in the J3 zone are regionally stratabound with local minor variation. Mineralisation is more laterally extensive than at the J2 zone, and extends approximately 100 m from the metadolerite/schist contact to the northwest.

Drill holes used for this Mineral Resource estimate include: historical drill holes ranging from 1988 to 1995, with the majority of holes drilled in 1990-1995; and fifteen reverse circulation holes drilled by Montezuma in 2007 totalling 2,511m.

Gold Production

Gravity processing of old mill site material continued to yield important gold production from the Peak Hill site during the first Quarter of the year. This production wrapped up the operation.

Montezuma had in place a Tribute Mining Agreement with Resource Gold Pty Ltd (“RGL”) to process suitable material from within the Project using RGL’s gravity plant. All costs and environmental liabilities were carried by RGL and Montezuma received 25% of all metal produced.

Production for the year totalled of 316.51 ounces of gold and 25.54 ounces of silver, from the sale of which Montezuma received 25% of total proceeds.

RC Drilling

- A total of 39 RC holes completed at Peak Hill for 6,696m, testing seven potential new target areas.
- Best results include:
 - 6m @ 4.16 g/t from 38m
 - 3m @ 14.6 g/t from 8m
 - 8m @ 1.58 g/t from 8m
 - 5m @ 3.37 g/t from 102m
 - 5m @ 2.65 g/t from 53m
 - 3m @ 7.11g/t from 63m

1.2.3. Competent Person’s Statement

The Information in this report that relates to exploration results is based on information compiled by Justin Brown, who is a member of the Australian Institute of Mining & Metallurgy. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Justin Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report related to the Mineral Resource for the Yanneri Ridge Manganese deposit is based on information compiled by Shane Fieldgate under the supervision of Ivor Jones. Mr Fieldgate is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones is a Fellow of the Australasian Institute of Mining and metallurgy (AusIMM), a Chartered Professional (Geology) and is a full time employee of Snowden Mining Industry Consultants. Mr Jones has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ivor Jones and Shane Fieldgate consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Harmony, Enigma, Durack and Mainpit/Fiveways Deposits is based on information compiled by Mr Kevin Lowe (MAusIMM) under the supervision and guidance of Ms Lynn Olssen (MAusIMM (CP)), who are both full-time employees of Snowden Mining Industry Consultants. Lynn Olssen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC, 2004). Lynn Olssen consents to the inclusion in this report of the matters based on the information in the form and context that the information appears.

The team of Competent Persons involved in the preparation of the Mineral Resource for the Jubilee J2 and J3 gold deposits is as follows:

The estimate was completed under the overall supervision and direction of Steven Hodgson, MAIG, of CSA Global who is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources or Ore Reserves (JORC Code 2004 Edition) and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The resource estimate in this report relates to information provided by Montezuma Mining Company Ltd. The information including database compilation, geological interpretation and mineralisation wire framing was completed by Craig Richards B.Sc. Hons Grad.Dip. and supervised by Trevor Saul B.Sc.Hons MAusIMM. Mr Saul is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Trevor Saul consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

1.3. Corporate

1.3.1. Retirement of Chairman

It is with regret that we advise the Company's founding Chairman, Mr Denis O'Meara, retired from his position effective 30 June 2011.

The Board and Staff extend their sincere gratitude to Mr O'Meara for his dedicated commitment to the Company since listing in 2006. His wisdom and advice will be missed and we wish him and his family the very best for the future.

Mr Seamus Cornelius joined the Board of Directors of Montezuma Mining Company Limited as Chairman following Denis' retirement.

Mr Cornelius brings 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been based in Shanghai and Beijing since 1993 where he has been living and working as a corporate lawyer.

From 2000 to 2010, Mr Cornelius was an international partner with one of Australia’s leading law firms and specialised in dealing with cross border investments, particularly in the energy and resource sectors. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years advised Chinese state owned entities on their investments in natural resource projects outside China, including Australia.

1.3.2. **Auvex Resources Limited**

Auvex Resources Limited (“Auvex”) entered into a scheme of arrangement with Mineral Resources Limited (“MIN”) to merge their 50% interest in the Mesa Joint Venture Assets to MIN. The scheme was approved by Auvex shareholders on 7 July 2011.

The commercial terms of the scheme include the in-specie distribution of 4,5000,000 MIN shares to Auvex’s shareholders. Montezuma holds approximately 5% of Auvex on a fully diluted basis, and hence the value of its allocation will represent an important inject of capital into the Company on disposal of it’s shareholding in MIN.

Montezuma will also, pursuant to the proposed reduction of capital of Auvex, receive an allocation of shares in Auvex Manganese Limited, which will own the assets of Auvex other than the Mesa Joint Venture assets.

For further details please refer to the Auvex website at www.auvexresources.com.au.

1.3.3. **Exterra Resources Limited**

Exterra Resources Limited (“Exterra”) has a large portfolio of advanced gold projects in the Linden Greenstone Belt (south of Laverton) and in the Egerton region of WA.

Montezuma received and holds the following securities in Exterra Resources Limited (“Exterra”) pursuant to the divestment of the Egerton Gold Project:

Securities Held	Escrowed Until
2,000,000 fully paid ordinary shares	26/05/2013
500,000 options (\$0.20, expiry 30/09/2013)	26/05/2013
1,000,000 options (\$0.20, expiry 30/09/2013)	26/05/2013

Exterra is a gold focused exploration and mining company with a number of advanced gold assets in Western Australia.

For further details, please refer to the Exterra website at www.exterraresources.com.au.

1.3.4. **Lithex Resources Limited**

Montezuma received and holds 1,525,000 fully paid ordinary shares in the capital of Lithex Resources Limited ("Lithex") pursuant to the divestment of an interest in non-core Pilbara assets.

Lithex fully paid ordinary shares are listed on the ASX under the code LTX. 1,500,000 shares are escrowed until 17 May 2012, and the remaining 25,000 shares are escrowed until 9 December 2011.

Lithex hold a large strategic tenement holding within the Gascoyne and East Pilbara regions of Western Australia prospective for Tin, Tantalum, Lithium and Rare Earth Element mineralisation.

For further details, please refer to the Lithex website at www.lithex.com.au.

2. Appendix 1 – Rock Chip Sample Details

During the target generation in the first quarter of the reporting year, a number of rock chip samples were collected and assayed to investigate outcrop evidence of manganese mineralization. Details are as follows.

Sample ID	East (GDA)	North (GDA)	Fe (%)	Mn (%)	Al (%)	Si (%)	Ca (%)	Mg (%)	S (%)	P (%)	Ti (%)	LOI (%)
BBG040	767597	7303489	11.89	33.22	2.63	8.18	0.07	0.08	0.04	0.10	0.10	11.30
BBG041	767564	7303463	13.78	31.52	2.63	8.46	0.09	0.10	0.05	0.10	0.10	10.50
BBG042	767629	7303555	9.58	34.54	3.78	7.15	0.04	0.07	0.04	0.05	0.12	11.80
BBG043	767671	7303541	11.75	35.16	2.51	6.92	0.05	0.06	0.04	0.10	0.09	11.50
BBG044	767568	7303561	6.83	43.29	3.55	3.11	0.07	0.07	0.03	0.08	0.11	13.00
BBG045	767668	7303586	6.78	45.85	2.60	2.54	0.04	0.06	0.01	0.03	0.09	12.70
BBG046	767675	7303665	10.91	34.62	2.88	7.53	0.04	0.07	0.02	0.14	0.09	11.50
BBG047	767626	7303719	4.94	40.97	2.68	7.57	0.04	0.06	0.01	0.07	0.11	10.90
BBG048	767548	7303677	5.52	41.20	2.93	6.78	0.05	0.07	0.02	0.07	0.11	11.20
BBG049	767464	7303685	40.99	0.56	3.23	10.42	0.05	0.07	0.07	0.58	0.11	9.35
BBG050	767409	7303679	19.65	24.47	2.73	9.26	0.10	0.08	0.04	0.21	0.11	10.50
BBG051	767546	7303608	5.41	40.74	2.55	7.39	0.06	0.06	0.01	0.10	0.10	11.00
BBG052	767294	7303451	3.22	45.07	2.11	6.08	0.11	0.11	0.04	0.11	0.09	10.40
BBG053	767315	7303473	5.77	41.98	2.07	6.78	0.13	0.16	0.03	0.07	0.09	10.40
BBG054	767327	7303512	3.57	42.13	2.65	7.48	0.09	0.11	0.03	0.05	0.11	10.20
BBG055	767323	7303551	3.48	44.45	2.30	6.26	0.14	0.11	0.03	0.10	0.10	10.40
BBG056	767324	7303590	5.13	42.83	2.00	6.82	0.09	0.11	0.03	0.07	0.08	10.20
BBG057	767302	7303623	4.67	41.67	2.63	7.06	0.11	0.13	0.12	0.05	0.10	10.50
BBG058	767246	7303602	7.34	39.73	2.35	6.87	0.11	0.08	0.07	0.16	0.08	10.30
BBG059	767231	7303148	13.78	23.85	4.40	11.73	0.04	0.05	0.04	0.10	0.31	10.60
BBG063	764993	7299406	7.13	43.22	2.21	4.77	0.06	0.07	0.02	0.07	0.08	11.70
BBG064	764790	7299437	9.72	32.68	3.32	8.93	0.05	0.11	0.02	0.14	0.11	11.00
BBG065	765025	7299755	4.74	40.43	2.51	8.09	0.08	0.13	0.02	0.04	0.11	9.98
BBG066	764715	7299812	5.46	48.95	2.34	1.58	0.06	0.02	0.06	0.03	0.10	13.00
BBG067	764447	7299608	7.69	36.71	4.96	5.61	0.04	0.04	0.02	0.02	0.24	13.20
BBG068	764671	7299336	8.88	41.28	2.58	4.35	0.04	0.05	0.02	0.02	0.08	12.00
BBG069	764490	7299239	9.51	34.85	4.37	6.26	0.02	0.10	0.02	0.03	0.14	12.00
BBG070	764526	7299208	6.26	35.55	4.20	8.88	0.03	0.11	0.02	0.03	0.16	11.20
BBG072	765782	7297418	10.28	39.03	2.12	4.77	0.05	0.04	0.02	0.08	0.10	11.80
BBG073	765788	7297350	20.14	23.08	2.58	8.97	0.06	0.02	0.05	0.21	0.13	11.50
BBG074	765772	7297294	7.20	40.20	4.17	4.34	0.04	0.02	0.02	0.02	0.15	13.20
BBG075	765885	7297343	10.70	34.70	4.56	5.61	0.04	0.03	0.02	0.03	0.17	13.00

Table 9. Table 2: Rock chip samples from Butcherbird.

3. Appendix 2 – RC Drilling Details

3.1. Manganese

RC Drilling completed on manganese targets within the Butcherbird Project area. Composite results shown using a bottom cut of approximately 8% manganese. Assays are from 1m splits using XRF fused disc analysis.

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB005	Bindi Bindi Hill	7299650	765598	5	17	12	9.22		10.85	46.58	0.1
				20	29	9	9		10.14	40.5	0.14
10BB006	Bindi Bindi Hill	7299549	765593	0	24	24	9.38		9.99	43.47	0.09
10BB007	Bindi Bindi Hill	7299150	765500	0	10	10	12.2		10.8	43.94	0.1
10BB008	Bindi Bindi Hill	7299150	765450	0	9	9	11.8		11.23	43.03	0.1
10BB009	Bindi Bindi Hill	7299151	765400	0	9	9	10.24		10.57	42.68	0.12
10BB010	Bindi Bindi Hill	7299250	765400	1	12	11	10.86		11.55	42.34	0.11
10BB023	Bindi Bindi Hill	7299200	765400	0	10	10	12.22	5m@16.21	9.57	42.5	0.11
10BB025	Bindi Bindi Hill	7299000	765500	1	4	3	7.76		8.86	46.76	0.07
10BB026	Bindi Bindi Hill	7299100	765500	0	8	8	12.12	3m@17.14	9.07	42.43	0.08
10BB027	Bindi Bindi Hill	7299200	765500	0	13	13	12.16	4m@18.50	9.84	43.82	0.1
10BB091	Budgie Hill	7307700	778804	0	10	10	9.49	5m@11.15	11.43	45.02	0.28
10BB098	Budgie Hill	7306321	779955	3	8	5	9.41		10.21	49.59	0.11
10BB099	Budgie Hill	7306411	779954	9	16	7	10.34	3m@10.99	15.04	44.4	0.2
10BB100	Budgie Hill	7306487	779941	0	7	7	9.72	2m@12.16	11.54	47.4	0.12
10BB101	Budgie Hill	7306582	779946	0	6	6	9.35		13.07	43.44	0.16
10BB103	Cadgies Flats	7303520	767250	0	2	2	7.39		8.78	49.8	0.1
				6	7	1	8.98		10.77	47.3	0.09
				12	16	4	9.31		9.98	40.35	0.14
10BB105	Cadgies Flats	7303520	767210	7	17		7.81	1m@15.80	10.68	46.96	0.14
10BB106	Cadgies Flats	7303520	767190	2	4	2	9.83		8.37	43.8	0.12
				6	7	1	9.14		11.75	46.8	0.15
				10	13	3	8.23		11.21	42.97	0.14
10BB107	Cadgies Flats	7303520	767170	5	11	6	8.68		10.98	47.27	0.15
10BB108	Cadgies Flats	7303520	767150	1	2		8.21		10.42	39.3	0.15
				4	11	7	8.9	1m@15.33	12.43	44.58	0.15
10BB113	Illgararie Ridge	7304094	773801	5	8	3	9.98		15	44.21	0.09
10BB114	Illgararie Ridge	7304198	773793	1	5	4	10.51		11.69	46.34	0.13
				12	20	8	11.65		14.24	42.55	0.2
10BB119	Illgararie_Hill	7302864	774021	4	10	6	11.55		13.24	43.48	0.1
10BB125	Yaneri Ridge	7297601	772503	3	8	5	13.52	3m@16.77	9.51	45.81	0.12
				14	17	3	10.98		10.3	45.96	0.18
10BB126	Yaneri Ridge	7297849	773317	0	22	22	9.96	2m@16.06	13.12	44.6	0.1
								3m@15.98			
								2m@17.57			
10BB127	Yaneri Ridge	7297703	772502	0	22	22	12.28	12m@15.03	11.27	44.83	0.09
10BB128	Yaneri Ridge	7297801	772500	0	23	23	10.6		11.49	0.5	0.11
10BB129	Yaneri Ridge	7297651	772799	0	3	3	8.75		15.67	42.3	0.03
10BB130	Yaneri Ridge	7297696	772798	0	10	10	14.61	6m@18.58	11.06	42.22	0.04
10BB131	Yaneri Ridge	7297799	772800	7	19	12	11.38		10.58	46.17	0.11
10BB132	Yaneri Ridge	7297898	772796	7	29	22	11.51	1m@19.58	11.87	44.58	0.11
10BB133	Yaneri Ridge	7298002	772796	10	35	25	9.26		11.37	45.32	0.12
10BB135	Yaneri Ridge	7297698	773301	2	4	2	10.34		9.06	49.06	0.06
10BB136	Yaneri Ridge	7297752	773300	0	2	2	18.39		11.48	36.78	0.07
				4	6	2	11.77		10.32	47.03	0.12
10BB137	Yaneri Ridge	7297799	773299	0	2	2	11.35		13.65	40.88	0.03
				6	16	10	10.23	1m@16.51	11.11	47.51	0.13
10BB138	Yaneri Ridge	7297902	773300	7	26	19	11.23	1m@19.17	11.33	45.83	0.13

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
								1m@18.82			
								1m@22.77			
10BB145	Yaneri Ridge	7297710	774099	0	5	5	7.11		11.52	50.43	0.04
10BB146	Yaneri Ridge	7297749	774101	0	13	13	8.86	1m@22.07	12.17	47.9	0.07
				17	21	4	10.98		11.04	45.99	0.1
10BB147	Yaneri Ridge	7297801	774100	0	15	15	12.04	2m@18.42	12.28	44.45	0.08
10BB148	Yaneri Ridge	7297898	774102	5	18	13	12.27	2m@16.80	11.93	43.83	0.13
								3m@15.44			
								1m@19.17			
10BB149	Yaneri Ridge	7297996	774100	0	17	17	11.54		11.72	44.74	0.11
10BB152	Yaneri Ridge	7297592	774498	19	21	2	9		11.9	46.57	0.14
10BB153	Yaneri Ridge	7297646	774522	0	6	6	11.86		10.79	45.23	0.12
10BB154	Yaneri Ridge	7297691	774529	0	9	9	11.44	1m@16.56	13.09	44.1	0.11
10BB155	Yaneri Ridge	7297806	774502	0	4	4	9.4		11.21	49.99	0.13
10BB156	Yaneri Ridge	7297901	774498	0	13	13	13.58	4m@14.58	12.1	41.86	0.12
10BB157	Yaneri Ridge	7297406	774893	0	1	1	8.55		9.76	48.03	0.04
10BB159	Yaneri Ridge	7297598	774903	0	4	4	7.81		8.67	37.56	0.11
10BB160	Yaneri Ridge	7297701	774903	0	4	4	10.87		10.17	42.21	0.11
				10	12	2	9.33		10.21	36.73	0.1
10BB162	Yaneri Ridge	7297899	774899	0	28	28	10.63	4m@13.18	12.2	43.34	0.14
10BB163	Cadgies Flats	7303461	767271	0	5	5	9.11		9.76	47.18	0.12
10BB164	Cadgies Flats	7303480	767270	0	6	6	10.91	2m@16.88	9.73	46	0.1
				15	18	3	8.21		10.4	41.3	0.13
10BB165	Cadgies Flats	7303500	767269	0	4	4	9.07		10.09	45.98	0.15
				11	18	7	6.79		9.3	46.66	0.1
10BB166	Cadgies Flats	7303520	767269	0	4	4	9.68	1m@14.33	10.91	46.2	0.11
				13	17	4	9.24		10.37	39.98	0.12
10BB167	Cadgies Flats	7303539	767269	0	4	4	8.68	1m@16.42	10.54	47.75	0.11
				14	17	3	8.44		10.51	40.97	0.11
10BB168	Cadgies Flats	7303557	767270	2	4	2	11.06	1m@14.71	7.89	48.05	0.16
10BB169	Cadgies Flats	7303578	767268	0	4	4	8.19	1m@14.79	10.01	45.12	0.16
				14	18	4	8.13		9.79	42.1	0.1
10BB170	Cadgies Flats	7303598	767267	0	4	4	9.58	1m@17.66	9.55	45.6	0.11
				7	9	2	8.85		9.65	48.75	0.1
10BB171	Cadgies Flats	7303522	767289	0	5	5	10.58	2m@14.29	10.1	46	0.11
				8	10	2	10.26		8.7	47.65	0.12
				14	18	4	8.3		10.07	41.65	0.13
10BB172	Cadgies Flats	7303520	767310	0	6	6	10.23		12.71	44.05	0.14
				13	19	6	7.06		9.11	45.27	0.11
10BB173	Cadgies Flats	7303519	767328	2	8	6	9.2	3m@11.23	10.72	47.62	0.12
10BB174	Cadgies Flats	7303517	767348	1	5	4	10.25	2m@13.86	8.78	47.98	0.07
				18	22	4	7.86		9.98	41.82	0.11
10BB175	Cadgies Flats	7303518	767391	2	9	7	11.36	4m@13.14	10.34	45	0.09
				16	23	7	6.67		9.14	45.16	0.09
10BB176	Cadgies Flats	7303517	767430	0	11	11	6.93	1m@15.72	10.86	51.34	0.1
				20	24	4	7.33		9.9	42.92	0.1
10BB177	Cadgies Flats	7303519	767533	2	12	10	8.37	3m@11.67	10.39	50.39	0.11
				22	24	2	9.1		10.14	39.85	0.14
10BB178	Cadgies Flats	7303518	767607	0	12	12	7.81	1m@17.43	10.38	51.12	0.1
				22	25	3	8.34		9.37	42.27	0.1
10BB179	Cadgies Flats	7303520	767692	0	1	1	7.31		25.25	30.1	0.05
10BB180	Cadgies Flats	7303528	767071	7	10	3	11.08		12.43	43.53	0.13
10BB181	Cadgies Flats	7303530	766976	3	13	10	7.61	2m@11.08	10	48.89	0.11
10BB182	Yaneri Ridge	7297900	772499	7	30	23	9.25		11.22	43.81	0.11
10BB183	Yaneri Ridge	7297570	772302	0	7	7	14.78		10.55	43.9	0.12
10BB184	Yaneri Ridge	7297621	772304	4	12	8	11.95	1m@15.37	11.67	45.41	0.13
10BB185	Yaneri Ridge	7297697	772299	2	21	19	11.89	2m@14.59	11.68	44.99	0.11
10BB186	Yaneri Ridge	7297797	772301	4	13	9	9.08		11.5	46.89	0.12

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
				16	29	13	11.35	2m@18.84	12.84	40.06	0.14
10BB187	Yaneri Ridge	7297902	772302	8	21	13	10.07		12.55	45.05	0.1
10BB188	Yaneri Ridge	7298001	773300	8	30	22	10.82	2m@14.20	11.58	43.73	0.12
10BB189	Yaneri Ridge	7298098	773298	15	30	15	9.76		11.18	44.56	0.12
10BB190	Yaneri Ridge	7298198	773298	5	7	2	8.66		7.08	52.54	0.04
10BB196	Illgararie_Hill	7302801	774020	0	1	1	20.18		8.61	39.45	0.04
10BB197	Illgararie_Hill	7302698	774024	0	9	9	11.16		13.52	44.36	0.14
10BB198	Illgararie_Hill	7302603	774023	0	14	14	10.22	8m@11.85	13.86	45.6	0.15
10BB199	Illgararie_Hill	7302496	774016	29	30	1	11.71		11.92	45.36	0.11
				33	40	7	10.13		9.6	42.92	0.12
10BB200	Illgararie_Hill	7302394	774021	3	4	1	14.13		8.98	44.63	0.08
				16	18	2	10.9		12.29	45.61	0.11
				24	28	4	11.11		12.91	38.04	0.12
10BB201	Illgararie Ridge	7304712	773777	7	11	4	12.22	2m@15.97	11.63	43.88	0.09
				24	25	1	16.56		9.56	41.36	0.08
				34	38	4	9.8		9.12	42.04	0.08
10BB202	Illgararie Ridge	7304297	773799	8	20	12	10.67	2m@15.08	12.9	45.15	0.2
10BB203	Illgararie Ridge	7304401	773799	1	3	2	7.68		8.43	37.06	0.02
10BB203				15	25	8	11.04		12.99	44.23	0.17
10BB204	Illgararie Ridge	7304501	773799	8	25	17	10.46		13.37	44.52	0.17
10BB205	Illgararie Ridge	7304601	773800	7	14	7	9.19	1m@16.17	11.52	48.08	0.11
				23	31	8	10.19		13.51	42.04	0.17
10BB208	Budgie Hill	7306488	779850	1	9	8	13.05	5m@15.54	12.88	41.85	0.13
10BB212	YANNERI RIDGE	7297896.56	771901.88	27	30	3	7.32		15.91	45.55	0.19
10BB213	YANNERI RIDGE	7297797.64	771905.00	0	29	29	11.03	5m @ 17.09%	10.57	46.99	0.14
10BB214	YANNERI RIDGE	7297698.41	771900.83	7	26	19	11.29	5m @ 14.27	10.48	46.68	0.12
				29	31	2	11.19		9.19	47.65	0.10
10BB215	YANNERI RIDGE	7297595.99	771898.25	0	15	15	12.70	6m @ 17.71	12.21	41.01	0.08
10BB216	YANNERI RIDGE	7297497.80	771902.92	0	4	4	16.03		12.69	34.42	0.07
				17	29	12	8.74		10.72	45.48	0.14
10BB221	YANNERI RIDGE	7297893.56	772090.56	4	5	1	10.76		6.10	51.04	0.05
				11	27	16	10.10	4m @ 12.42	11.41	46.89	0.12
10BB222	YANNERI RIDGE	7297802.61	772099.81	8	25	17	10.65	1m @ 16.23	11.44	45.17	0.12
10BB223	YANNERI RIDGE	7297701.81	772099.07	0	26	26	11.25	3m @ 15.8	10.99	46.46	0.12
10BB224	YANNERI RIDGE	7297594.83	772098.40	0	15	15	12.45	8m @ 15.09	10.57	45.57	0.12
10BB225	YANNERI RIDGE	7297511.70	772101.63	10	15	5	11.80		12.32	42.77	0.10
10BB227	YANNERI RIDGE	7298200.79	772296.78	19	20	1	11.31		28.60	19.21	0.14
10BB229	YANNERI RIDGE	7298007.46	772302.48	12	13	1	10.94		6.73	49.91	0.05
				26	27	1	13.45		11.81	41.59	0.17
10BB230	YANNERI RIDGE	7297472.49	772303.65	0	1	1	16.76		7.18	40.14	0.07
10BB232	YANNERI RIDGE	7298001.09	772501.61	16	17	1	11.03		8.48	47.43	0.06
				26	31	5	9.22		11.43	45.74	0.13
10BB237	YANNERI RIDGE	7298099.51	772799.13	25	28	3	8.95		13.17	45.30	0.10
10BB238	YANNERI RIDGE	7297603.86	772801.86	4	12	8	9.33		9.48	48.91	0.10
10BB239	YANNERI RIDGE	7297505.97	772809.08	0	2	2	9.70		8.61	44.75	0.10
10BB243	YANNERI RIDGE	7298100.07	773098.84	22	28	6	9.01		12.09	45.68	0.12
10BB244	YANNERI RIDGE	7297999.02	773098.60	8	22	14	9.52	3m @ 12.27	11.84	46.76	0.12

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB245	YANNERI RIDGE	7297905.36	773099.98	8	26	18	11.25	9m @ 13.23	11.55	45.01	0.12
10BB246	YANNERI RIDGE	7297797.66	773117.28	0	1	1	8.79		16.79	42.52	0.02
				6	12	6	9.89	3m @ 10.99	11.53	47.73	0.07
10BB254	YANNERI RIDGE	7298099.88	773500.93	12	28	16	8.53	4m @ 10.15	11.46	46.98	0.12
10BB255	YANNERI RIDGE	7298003.58	773500.69	6	28	22	10.34	8m @ 12.6	11.84	45.74	0.13
10BB256	YANNERI RIDGE	7297901.63	773498.30	9	26	17	12.25	4m @ 16.24	11.38	43.95	0.14
10BB257	YANNERI RIDGE	7297800.29	773500.17	0	1	1	15.65		10.17	42.29	0.03
				4	13	9	11.18	4m @ 14.21	11.04	46.58	0.12
10BB258	YANNERI RIDGE	7297700.67	773501.11	10	11	1	8.62		8.72	50.34	0.07
10BB260	YANNERI RIDGE	7298498.70	773697.12	18	19	1	8.36		7.15	51.41	0.04
10BB263	YANNERI RIDGE	7298201.32	773698.35	9	12	3	12.87		18.15	34.28	0.10
				18	27	9	8.91	2m @ 13.05	11.05	47.86	0.11
10BB264	YANNERI RIDGE	7298101.48	773698.02	10	17	7	11.65	3m @ 15.89	11.23	45.21	0.11
				20	26	6	10.22		11.46	46.46	0.10
10BB265	YANNERI RIDGE	7297997.00	773701.21	7	27	20	12.09	9m @ 14.21	11.79	44.02	0.12
10BB266	YANNERI RIDGE	7297895.65	773703.29	0	1	1	11.33		16.98	32.24	0.03
10BB266	YANNERI RIDGE			6	22	16	11.82	4m @ 14.26	11.17	45.25	0.11
10BB267	YANNERI RIDGE	7297801.31	773702.86	0	11	11	12.83	3m @ 16.90	10.58	45.68	0.12
10BB268	YANNERI RIDGE	7297703.65	773697.28	6	8	2	8.93		10.34	47.71	0.13
10BB272	YANNERI RIDGE	7298300.55	773899.90	12	14	2	8.92		7.75	50.12	0.05
				25	30	5	10.64		12.49	44.16	0.12
	YANNERI RIDGE	7298201.79	773898.93	13	28	15	10.14	2m @ 13.89	11.20	46.07	0.11
10BB274	YANNERI RIDGE	7298099.57	773899.65	10	34	24	10.53	6m @ 14.77	11.70	44.52	0.13
10BB275	YANNERI RIDGE	7297997.26	773901.72	1	29	28	11.89	5m @ 15.02	13.02	42.38	0.11
10BB276	YANNERI RIDGE	7297902.16	773901.48	6	21	15	12.82	7m @ 14.30	11.72	43.47	0.11
10BB277	YANNERI RIDGE	7297803.50	773902.06	2	15	13	13.07	4m @ 16.32	11.50	43.77	0.13
				23	26	3	8.54		9.01	50.33	0.12
10BB278	YANNERI RIDGE	7297696.29	773898.06	1	2	1	8.29		8.38	53.31	0.07
				8	12	4	9.43		10.37	48.46	0.10
		7297604.12	773902.17	25	26	1	8.49		14.65	44.21	0.06
10BB279	YANNERI RIDGE			4	5	1	11.89		8.23	50.62	0.06
				10	11	1	9.35		9.50	47.64	0.06
				15	17	2	9.50		12.69	46.41	0.10
10BB280	YANNERI RIDGE	7298503.33	774097.07	7	8	1	10.04		8.34	49.03	0.04
10BB281	YANNERI RIDGE	7298396.44	774100.50	3	4	1	8.17		10.81	48.02	0.06
				23	24	1	13.14		16.34	36.89	0.10
10BB282	YANNERI RIDGE	7298300.79	774100.33	13	25	12	9.44		12.51	45.32	0.14
10BB283	YANNERI RIDGE	7298203.69	774101.47	5	20	15	8.92	2m @ 13.24	11.21	47.69	0.12
10BB284	YANNERI RIDGE	7298097.47	774101.86	0	25	25	11.28	5m @ 13.13	12.15	44.47	0.13
10BB285	YANNERI RIDGE	7297602.89	774097.90	0	1	1	10.76		11.57	46.81	0.11
				7	8	1	10.15		8.09	46.84	0.17

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
				10	14	4	8.24		9.17	49.36	0.09
10BB287	YANNERI RIDGE	7298500.67	774295.50	4	19	15	11.15	5m @ 13.70	13.71	41.34	0.07
10BB288	YANNERI RIDGE	7298390.97	774307.84	8	17	9	8.31		11.81	47.54	0.13
10BB289	YANNERI RIDGE	7298300.01	774294.80	3	18	15	10.49	2m @ 13.32	11.97	44.67	0.11
10BB290	YANNERI RIDGE	7298191.34	774301.04	0	23	23	10.71	6m @ 13.62	12.11	45.33	0.12
10BB291	YANNERI RIDGE	7298098.70	774300.58	0	21	21	13.33	4m @ 17.30	11.63	42.84	0.12
10BB292	YANNERI RIDGE	7298002.75	774301.36	3	19	16	14.39	6m @ 16.43	12.28	40.95	0.12
10BB293	YANNERI RIDGE	7297904.41	774283.70	1	16	15	14.56	6m @ 17.12	11.34	41.94	0.10
				26	27	1	10.94		18.50	35.88	0.29
10BB294	YANNERI RIDGE	7297796.74	774302.24	4	15	11	13.50		11.26	43.72	0.12
10BB295	YANNERI RIDGE	7297733.49	774293.26	1	3	2	12.13		15.56	41.45	0.09
10BB295				6	9	3	10.29		9.80	49.61	0.10
10BB295				16	19	3	8.41		10.77	49.44	0.11
10BB296	YANNERI RIDGE	7297595.69	774301.67	0	2	2	12.90		9.18	44.00	0.14
10BB296				5	7	2	8.68		8.16	50.64	0.07
10BB296				12	13	1	11.33		10.90	43.10	0.22
10BB297	YANNERI RIDGE	7297502.88	774304.10	9	11	2	11.04		11.87	44.54	0.09
10BB298	YANNERI RIDGE	7298501.83	774503.35	7	9	2	12.91		10.61	42.41	0.07
10BB298				13	22	9	9.38	3m @ 12.12	12.33	44.48	0.13
10BB299	YANNERI RIDGE	7298399.70	774503.04	5	22	17	9.42	2m @ 12.85	11.11	45.85	0.12
10BB300	YANNERI RIDGE	7298294.37	774505.17	0	17	17	9.41	3m @ 12.22	11.08	45.85	0.11
10BB301	YANNERI RIDGE	7298200.83	774499.93	0	17	17	10.04	5m @ 11.81	12.06	44.86	0.14
10BB302	YANNERI RIDGE	7298101.45	774502.49	0	20	20	10.66	2m @ 16.80	11.63	45.92	0.15
10BB303	YANNERI RIDGE	7297994.77	774502.32	2	20	18	11.78	5m @ 15.19	11.60	43.82	0.15
10BB304	YANNERI RIDGE	7298501.87	774703.65	16	20	4	11.15		13.10	42.41	0.12
10BB305	YANNERI RIDGE	7298387.57	774686.79	1	16	15	10.79		11.00	44.24	0.11
10BB306	YANNERI RIDGE	7298299.84	774701.11	1	5	4	9.15		11.67	46.17	0.15
10BB306				8	20	12	12.42	4m @ 16.56	11.31	41.17	0.13
10BB307	YANNERI RIDGE	7298195.28	774698.99	8	10	2	9.64		13.24	43.76	0.13
10BB307				15	20	5	11.82	3m @ 13.14	13.74	40.57	0.16
10BB308	YANNERI RIDGE	7298102.38	774700.94	0	19	18	12.95	3m @ 16.03	12.08	42.21	0.16
10BB309	YANNERI RIDGE	7298003.06	774700.70	0	16	16	12.26	6m @ 15.20	11.58	39.91	0.13
10BB310	YANNERI RIDGE	7297901.74	774700.86	0	11	11	13.44	4m @ 16.09	12.56	42.05	0.16
10BB311	YANNERI RIDGE	7297801.76	774701.36	0	14	14	13.36	7m @ 16.40	13.30	41.58	0.11
10BB312	YANNERI RIDGE	7297701.41	774701.12	1	14	13	12.07	2m @ 16.00	12.04	42.45	0.12
10BB313	YANNERI RIDGE	7297606.03	774704.19	0	1	1	17.53		9.20	40.68	0.09
10BB313				3	4	1	11.83		7.14	43.35	0.09
10BB313				7	10	3	8.99		10.08	47.20	0.16
10BB316	YANNERI RIDGE	7298396.87	774898.96	0	1	1	8.89		18.66	37.82	0.06
10BB317	YANNERI RIDGE	7298297.50	774898.00	7	8	1	14.57		10.25	41.87	0.07
10BB317				10	11	1	10.16		12.14	44.83	0.13

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB317				13	16	3	9.01		12.49	44.71	0.16
10BB318	YANNERI RIDGE	7298189.36	774906.14	0	1	1	11.35		10.06	50.27	0.07
10BB318				5	11	6	8.97		11.18	43.64	0.12
10BB319	YANNERI RIDGE	7298095.60	774900.11	0	10	10	9.43	5m @ 10.48	10.77	44.05	0.11
10BB320	YANNERI RIDGE	7297998.38	774898.35	0	18	18	12.18	3m @ 15.47	11.35	40.43	0.12
10BB324	YANNERI RIDGE	7298302.15	775096.17	15	16	1	9.54		11.59	41.39	0.12
10BB325	YANNERI RIDGE	7298199.31	775100.88	8	11	3	8.31		10.91	43.11	0.12
10BB326	YANNERI RIDGE	7298097.05	775099.24	0	1	1	12.50		10.99	42.05	0.09
10BB326				7	15	8	10.86	3m @ 12.80	12.00	40.65	0.12
10BB327	YANNERI RIDGE	7297995.63	775093.91	0	1	1	10.15		8.95	50.74	0.04
10BB327				11	13	2	8.87		12.07	44.70	0.10
10BB328	YANNERI RIDGE	7297902.03	775104.94	0	1	1	11.88		7.84	51.95	0.05
10BB328				6	18	12	9.26	4m @ 11.85	12.45	44.05	0.15
10BB329	YANNERI RIDGE	7297797.77	775105.28	0	20	20	12.56	6m @ 14.86	10.88	41.23	0.10
10BB332	YANNERI RIDGE	7298497.72	775299.70	24	25	1	12.15		11.57	40.31	0.08
10BB334	YANNERI RIDGE	7298300.47	775303.23	14	15	1	11.45		16.22	35.50	0.06
10BB338	YANNERI RIDGE	7297898.72	775300.78	0	1	1	13.73		9.37	45.50	0.04
10BB338				9	12	3	8.78		13.03	44.70	0.16
10BB339	YANNERI RIDGE	7297799.57	775300.75	1	21	20	13.37	8m @ 17.06	11.87	36.81	0.15
10BB340	YANNERI RIDGE	7297701.92	775294.74	0	12	12	12.74	2m @ 16.42	10.29	36.18	0.12
10BB341	YANNERI RIDGE	7297601.73	775289.19	0	3	3	9.74		8.57	49.46	0.09
10BB341				4	5	1	11.57		10.47	42.46	0.13
10BB341				17	19	2	9.21		17.00	39.90	0.09
10BB342	YANNERI RIDGE	7297912.95	773250.87	10	28	18	11.38	2m @ 18.12	10.68	46.14	0.12
10BB343	YANNERI RIDGE	7297915.46	773217.48	8	28	20	11.80	6m @ 14.09	11.13	45.23	0.12
10BB344	YANNERI RIDGE	7297920.16	773182.65	11	27	16	11.26	2m @ 15.60	11.79	44.62	0.16
10BB345	YANNERI RIDGE	7297917.76	773151.51	7	22	15	11.30	4m @ 13.80	11.65	45.16	0.11
10BB345				24	28	4	10.87		10.11	47.30	0.13
10BB347	YANNERI RIDGE	7297999.28	775699.49	3	13	10	9.76	3m @ 12.15	10.83	40.99	0.10
10BB348	YANNERI RIDGE	7297900.87	775702.56	0	11	11	9.88	5m @ 11.49	10.59	44.58	0.09
10BB349	YANNERI RIDGE	7297805.24	775701.20	0	10	10	12.75	2m @ 18.72	10.66	41.75	0.11
10BB350	YANNERI RIDGE	7297703.80	775701.98	1	5	4	11.01		9.85	47.81	0.09
10BB358	YANNERI RIDGE	7297902.05	776102.51	4	7	3	8.66		12.30	46.39	0.16
10BB384	ILLGARARIE RIDGE	7304996	773798	9	10	1	9.62		12	44.82	0.09
10BB385	ILLGARARIE RIDGE	7304900	773803	13	14	1	9.08		8.44	49.42	0.14
10BB386	ILLGARARIE RIDGE	7304795	773799	27	28	1	8.69		14.53	43.58	0.38
10BB396				12	15	3	11.57		11.13	44.88	0.26
10BB396	ILLGARARIE RIDGE	7304301	774600	25	31	6	8.5	1m @ 15.65	10.88	48.97	0.24
10BB397	ILLGARARIE RIDGE	7304197	774596	16	26	10	8.59	1m @ 14.84	12.94	46.69	0.19
10BB397				19	24	5	8.9		11.97	47.5	0.28
10BB397				28	29	1	11.41		13.92	42.33	0.32

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
10BB397				34	37	3	9.81		10.77	48.7	0.18
10BB398	ILLGARARIE RIDGE	7304112	774597	13	14	1	9.22		9.24	49.36	0.09
10BB398				17	18	1	9.72		11.03	46.3	0.13
10BB398				38	42	4	9.31	1m @ 14.62	16.47	43.42	0.35
10BB402	ILLGARARIE RIDGE	7304899	775400	24	26	2	8.36		12.37	48.43	0.23
10BB402				34	36	2	9.73		14.45	43.18	0.14
10BB403	ILLGARARIE RIDGE	7304803	775401	13	14	1	9.45		11.32	48.38	0.25
10BB403				16	17	1	8.73		12.39	47.53	0.28
10BB403				20	23	3	9.73		12.75	46.17	0.29
10BB403				24	25	1	9.07		12.62	46.25	0.46
10BB403				29	34	5	8.07		11.29	40.02	0.28
10BB404	ILLGARARIE RIDGE	7304701	775400	9	22	13	9.23	3m @ 10.63	12.56	46.81	0.25
10BB404				27	28	1	8.13		7.91	47.1	0.1
10BB405	ILLGARARIE RIDGE	7304605	775401	7	8	1	9.56		5.69	57.17	0.12
10BB405				11	13	2	8.04		11.24	49.5	0.22
10BB405				26	28	2	11.99		8.15	39.71	0.36
10BB406	ILLGARARIE RIDGE	7304502	775400	0	1	1	11.86		15.21	39.13	0.06
10BB406				7	8	1	10.55		10.42	48.07	0.16
10BB406				12	22	10	9.78	3m @ 11.92	14.44	44.69	0.37
10BB406				15	25	10	13.28	5m @ 16.47	12.01	43.18	0.32
10BB406				26	27	1	14.34		11.24	33.52	0.48
10BB407	ILLGARARIE RIDGE	7304402	775399	5	8	3	11.01	1m @ 14.04	10.92	46.71	0.14
10BB407				14	18	4	10.58	1m @ 14.96	16.56	41.8	0.29
10BB407				20	22	2	11.11		13.22	44.77	0.23
10BB407				28	29	1	10.42		12.43	35.55	0.43
10BB408	ILLGARARIE RIDGE	7304300	775395	5	7	2	10.9		10.59	47.02	0.19
10BB408				9	10	1	9.05		16.12	44.04	0.18
10BB408				12	13	1	9.75		15.22	44.56	0.21
10BB408				16	19	3	9.63		14.09	44.44	0.24
10BB408				20	21	1	8.13		11.27	48.77	0.2
10BB408				23	24	1	8.08		11.22	49.26	0.27
10BB411	ILLGARARIE RIDGE	7305098	776199	23	27	4	9.73	1m @ 11.92	10.57	48.22	0.23
10BB411				28	31	3	8.97		14.48	43.41	0.29
10BB411				32	33	1	8.19		16.23	43.91	0.3
10BB413	ILLGARARIE RIDGE	7304902	776209	35	36	1	14.28		16.49	35.73	0.45
10BB414	ILLGARARIE RIDGE	7304799	776202	25	35	10	9.8	6m @ 11.09	12.82	47.05	0.4
10BB422	ILLGARARIE RIDGE	7305915	777703	27	28	1	8.14		13.3	47.93	0.25
10BB424	ILLGARARIE RIDGE	7305696	777699	17	20	3	7.27		11.08	47.92	0.16
10BB425	ILLGARARIE RIDGE	7305598	777700	13	14	1	10.86		9.48	45.91	0.17
				27	28	1	11.87		11.58	44.7	0.4
10BB426	ILLGARARIE RIDGE	7305502	777696	30	31	1	8.88		10.58	49.92	0.28
10BB427	ILLGARARIE RIDGE	7305403	777701	10	12	2	9.16		12.67	46.82	0.29
				13	14	1	9.24		20.64	35.6	0.57
				16	18	2	9.9		15.25	42.56	0.32
				22	28	6	7.72	2m @ 8.32	11.61	49.75	0.26
10BB428	ILLGARARIE RIDGE	7305298	777703	21	24	3	10.28	1m @ 13.85	12.37	46.69	0.28
10BB442	BUDGIE HILL	7307901	778397	4	19	15	8.17	3m @ 10.62	14.49	46.17	0.32
10BB448	BUDGIE HILL	7307896	778600	0	7	7	9.12	1m @ 14.82	13.77	44.56	0.39

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
				12	21	9	9.21	2m @ 10.12	14.23	43.28	0.34
10BB449	BUDGIE HILL	7307799	778602	10	11	1	9.33		12.11	46.51	0.27
				0	1	1	9.13		8.72	40.49	0.12
10BB458	BUDGIE HILL	7307700	778999	7	17	10	7.35		12.44	46.25	0.29
10BB459	BUDGIE HILL	7307598	778999	3	7	4	8.36		11.65	46.69	0.58
				13	15	2	10.9		11.24	45.77	0.22
				18	19	1	9.87		12.98	45.06	0.39
10BB460	BUDGIE HILL	7307500	779002	13	14	1	10.23		9.94	47.71	0.18
				20	25	5	8.93	2m @ 10.30	15.26	44.64	0.47
10BB485	BUDGIE HILL	7306899	779800	4	5	1	10.11		12.11	42.86	0.12
				7	8	1	8.02		8.18	50.94	0.1
				28	29	1	10.16		13.92	43.87	0.33
10BB491	BUDGIE HILL	7306702	779496	17	18	1	15.75		17.14	31.67	0.21
				17	19	2	8.13		8.28	51.72	0.15
				20	21	1	10.41		10.35	46.65	0.19
10BB492	BUDGIE HILL	7306598	779496	23	25	2	9.21		9.98	49.14	0.32
				27	29	2	7.64		12.74	48.45	0.23
10BB493	BUDGIE HILL	7306501	779499	24	25	1	8.91		12.54	46.63	0.33
				33	36	3	9.27		14.77	43.56	0.41
10BB494	BUDGIE HILL	7306394	779504	15	17	2	16.52		10.64	38.56	0.16
				32	34	2	9.14		12.23	46.7	0.39
10BB495	BUDGIE HILL	7306295	779500	21	24	3	11.26		12.61	43.01	0.26
				25	29	4	8.67	2m @ 10.23	13.09	46.61	0.38
10BB498	BUDGIE HILL	7306302	779599	16	19	3	8.43		11.64	48.1	0.25
				21	26	5	10.55	3m @ 11.27	13.13	44.95	0.26
				28	29	1	9.73		16.21	40.94	0.28
10BB499	BUDGIE HILL	7306402	779600	14	17	3	7.62		12.18	48.49	0.24
				30	31	1	9.81		12.34	48.6	0.33
10BB501	BUDGIE HILL	7306597	779596	19	23	4	7.97		14.37	45.76	0.34
10BB505	BUDGIE HILL	7306499	779703	14	15	1	10.26		7.09	48.89	0.16
				24	25	1	9.14		12.55	47.52	0.22
				5	6	1	9.38		8.63	49.14	0.2
10BB506	BUDGIE HILL	7306400	779695	30	31	1	12.47		14.68	39.61	0.31
10BB507	BUDGIE HILL	7306299	779692	18	19	1	9.12		14.91	42.17	0.54
10BB510	BUDGIE HILL	7306301	779795	2	7	5	8.2		12.47	48.1	0.21
				7	14	7	11.77	2m @ 16.52	12.21	43.91	0.31
				12	13	1	8.17		17.13	43.69	0.43
10BB511	BUDGIE HILL	7306401	779794	1	5	4	9.68	1m @ 11.72	13.64	45.28	0.31
				7	8	1	10.91		10.09	47.75	0.27
				12	13	1	8.86		13.52	47.09	0.46
				14	18	4	8.56		15.46	44.09	0.51
10BB512	BUDGIE HILL	7306500	779800	2	12	10	8.18		12.71	47.94	0.28
				15	19	4	11.55	1m @ 17.45	14.96	41.96	0.44
10BB516	BUDGIE HILL	7306601	779899	1	2	1	10.83		6.77	44.81	0.33
				4	14	10	7.29	2m @ 9.67	11.69	49.18	0.33
				20	23	3	9.2	1m @ 13.02	10.68	49.5	0.47
10BB517	BUDGIE HILL	7306402	779895	8	9	1	8.19		16.52	45.08	0.5
				10	11	1	12.44		15.63	38.71	0.86
				12	14	2	7.68		14.54	46.75	0.37
				17	19	2	9.78		12.82	44.68	0.47
10BB520	BUDGIE HILL	7306700	780100	18	19	1	8.26		11.08	49.3	0.23
10BB521	BUDGIE HILL	7306597	780098	5	6	1	8.53		12.59	46.86	0.3
				7	11	4	9.94	1m @ 13.49	13.24	44.53	0.45
				13	15	2	8.95		15.72	38.97	0.53
10BB522	BUDGIE HILL	7306496	780098	16	18	2	7.61		15.89	43.68	0.54
10BB527	BUDGIE HILL	7306598	780195	3	9	6	9.9	2m @ 11.88	15.71	41.67	0.52
10BB528	BUDGIE HILL	7306496	780202	0	1	1	10.51		12.61	45.99	0.24
				2	3	1	8.73		13.03	40.53	0.16

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
BBRC00003	Coodamudgi	7298800	773100	9	26	17	12.81	2m @ 20.32	13.54	41.14	0.062
BBRC00004		7298700	773100	10	25	15	12.24	4m @ 16.99	11.01	43.78	0.071
BBRC00007		7298910	773100	11	13	2	19.98	1m @ 22.91	12.21	31.57	0.055
				18	25	8	11.71	1m @ 20.2	11.89	43.64	0.145
BBRC00008		7299000	773100	29	32	4	14.16	1m @ 23.02	10.69	41.38	0.096
				34	37	3	13.75	1m @ 20.25	13.19	39.62	0.17
BBRC00010		7299200	773500	14	16	2	10		9.9	45.58	0.059
				17	20	3	12.81		7.83	33.53	0.079
				29	30	1	10.66		13.38	44.65	0.092
				32	36	4	18.29	1m @ 28.6	10.15	37.7	0.128
BBRC000101	Richie's Find	7298000	770200	13	17	4	10.59		12.47	43.61	0.133
BBRC000102		7297900	770200	7	9	2	11.99	1m @ 14.94	10.09	44.72	0.111
				13	15	2	11.09		12.79	43.08	0.124
BBRC000104		7297600	770200	8	17	9	8.87		11.33	47.31	0.097
BBRC000105		7297500	770200	11	14	3	12.34		9.31	45.65	0.079
BBRC000106		7297400	770200	16	22	6	16.63	1m @ 23.84	10.74	39.51	0.083
BBRC000108		7297200	770200	17	19	2	15.59	1m @ 18.35	15.98	32.74	0.209
BBRC00011		7299110	773500	19	32	14	9.69	2m @ 14.18	11.84	45.87	0.158
BBRC000110		7298000	769800	23	30	7	13.24	2m @ 19.09	10.05	42.4	0.072
BBRC000112		7297900	769800	24	26	2	13.34		8.62	45.58	0.085
				27	28	1	13.45		13.67	39.88	0.083
BBRC00012		7299000	773500	20	34	14	13.83	3m @ 21.07	13.34	35.73	0.148
BBRC00014		7298700	772700	0	6	6	12.35		10.19	45.74	0.106
				8	10	2	10.89		12.66	43.72	0.153
				12	13	1	10.12		11.66	46.43	0.153
				15	26	11	14	1m @ 21.73	13.36	35.62	0.202
BBRC00015		7298800	772700	0	1	1	18.96		7.65	39.21	0.057
				5	23	18	11.55	2m @ 17.25	11.81	43.69	0.122
BBRC00018		7298600	772700	9	14	5	11.06		14.85	40.76	0.04
BBRC00019		7298700	772300	3	4	1	14.32		13.05	38.77	0.035
				9	16	7	10.87		13.38	42.33	0.12
BBRC00020		7298800	772300	20	24	4	11.43		12.2	43.25	0.106
BBRC00022		7298600	772300	4	7	3	13.42	1m @ 17.35	12.23	40.35	0.034
				8	13	5	9.93		12.53	45.59	0.07
				16	25	5	11.08		14.16	38.54	0.141
BBRC00023	Mundiwindi	7298400	776900	12	16	4	11.47		10.97	41.08	0.122
BBRC00024		7298500	776900	0	1	1	19.58		8.86	40.31	0.087
				3	16	13	13.11	2m @ 16.17	12.38	40.07	0.152
BBRC00026		7298300	776900	13	15	2	9.16		11.33	45.62	0.242
				19	20	1	10.38		12.23	44.09	0.118
BBRC00027		7298300	777300	0	1	1	13.1		9.72	45.12	0.061
				12	15	3	12.62		12.21	42.21	0.122
BBRC00028		7298400	777300	0	6	6	10.53		10.66	40.71	0.1
BBRC00029		7298500	777300	0	1	1	10.22		8.83	50.51	0.07
				2	12	10	15.01	5m @ 16.88	12.68	34.68	0.148
				13	14	1	14.5		11.09	38.26	0.113
BBRC00030		7298600	777300	1	15	14	10.2	1m @ 17.33	11.16	39.38	0.116
BBRC00031		7298500	777700	1	5	4	12.47		9.13	39.86	0.103
				9	10	1	15.27		8.65	40.94	0.201
				12	17	5	10.59		11.95	43.61	0.134
BBRC00032		7298600	777700	0	22	22	12.31	2m @ 18.26	11.79	38.6	0.13
BBRC00033		7298700	777700	0	1	1	21.69		11.07	31.93	0.052
				15	24	9	10.85	1m @ 17.09	12.05	40.39	0.138
				26	33	7	15.88	5m @ 17.41	13.68	35.06	0.178
BBRC00034		7298800	777700	2	6	4	15.98	3m @ 18.02	10.49	36.55	0.03
				12	13	1	10.33		14.32	40.45	0.105
				14	33	11	10.63		11.9	41.87	0.131
BBRC00035		7298900	778100	6	7	1	10.63		13.19	41.9	0.035

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
				15	35	20	11.86	1m @ 17.28 and 1m @ 17.42	11.42	42.62	0.134
BBRC00038		7298900	778500	26	35	9	18.37	3m @ 28.14	12.5	28.64	0.148
BBRC00041	Illgararie Hill	7303100	774400	1	2	1	11.88		13.97	44.87	0.061
				4	10	6	10.23		12.2	43.27	0.129
BBRC00042		7302900	774400	3	16	13	11.9	3m @ 15.94	13.87	41.05	0.185
BBRC00043		7302800	774400	2	15	13	11.78	2m @ 15.52	15.58	39.18	0.154
BBRC00044		7302700	774400	11	12	1	11.22		10.03	44.7	0.065
BBRC00045		7303000	774400	2	11	9	11.6	2m @ 15.47	14.59	40.43	0.145
BBRC00048	Richie's Find	7297400	771700	20	21	1	11.18		13.15	40.94	0.166
				22	23	1	11.52		11.62	43	0.175
				24	32	8	12.63	1m @ 15.37	11.45	41.98	0.111
BBRC00049		7297200	771700	5	6	1	14.23		10.64	41.77	0.026
				9	16	7	13.09	1m @ 16.45 and 1m @ 16.25	11.92	41.46	0.11
				18	20	2	10.23		11.18	45.26	0.17
BBRC00050		7297300	771800	4	5	1	10.24		15.1	41.44	0.1
				8	9	1	11.51		11.55	43.46	0.14
				12	13	1	15.84		14.22	35.45	0.127
				15	24	9	12.56	5m @ 13.95	11.35	43.29	0.117
BBRC00051		7297300	771600	7	9	2	14.03		12.59	38.63	0.039
				11	13	2	12.3		12.63	41.32	0.118
				22	28	6	15.9	3m @ 18.58	15.7	34.07	0.141
BBRC00052		7297300	771400	12	14	2	10.69		12.53	43.77	0.094
				15	16	1	12.33		9.34	45.4	0.096
				20	24	4	12.02	3m @ 13.02	10.7	43.79	0.106
BBRC00054		7297300	771200	10	12	2	15.69	1m @ 18.03	11.82	40.03	0.083
				13	15	2	10.83		10.3	47.33	0.122
				20	21	1	12.77		7.64	46.63	0.105
BBRC00055		7297300	771100	0	2	2	17.13	1m @ 19.5	9.61	39.74	0.055
				5	18	14	12.07		11.69	43.62	0.128
BBRC00056		7297300	771000	7	18	11	11.15	2m @ 15.57	12.21	43.96	0.114
BBRC00057		7297500	771000	18	28	10	11.58	1m @ 16.51	12.67	43.35	0.12
BBRC00058		7297600	771000	27	29	2	11.6		13.07	42.41	0.092
BBRC00059		7297400	771000	18	23	5	12.6	1m @ 18.02	11.54	43.25	0.113
BBRC00060		7297190	771000	4	5	1	10.15		7.87	51.3	0.07
				6	17	11	12.27	2m @ 16.28	11.85	43.06	0.132
BBRC00062		7297300	770900	11	13	2	14.15		9.73	43.23	0.083
				14	21	7	12.75	1m @ 16.03	11.45	43.5	0.089
BBRC00063		7297300	770800	6	20	14	10.9	1m @ 22.29	12.75	43.9	0.117
BBRC00064		7297300	770700	3	9	6	10.96		10.37	46.21	0.1
				10	17	7	14.39	1m @ 19.71	10.98	41.89	0.102
BBRC00065		7297300	770600	2	5	3	11.72		9.08	48.36	0.07
				11	15	4	15.8	3m @ 17.82	13.59	37.22	0.086
				17	18	1	20.18		12.2	33.65	0.087
BBRC00066		7297200	770600	0	2	2	9.99		15.28	43.89	0.05
				5	6	1	17.48		10.13	39.136	0.092
				7	8	1	15.6		13.43	37.74	0.148
				11	12	1	14.33		12.99	39.98	0.1
				14	15	1	16.27		11.41	38.12	0.1
BBRC00067		7297100	770600	4	7	3	10.05		16.32	36.37	0.031
				15	17	3	11.34		8.06	48.21	0.084
				20	21	1	10.15		9.81	47.49	0.1
				22	24	2	11.53		12.91	40.98	0.113
BBRC00068		7297300	770500	0	2	2	14.24	1m @ 17.79	5.93	49.67	0.055
				4	8	4	10.72		9.87	47.2	0.072

Hole_ID	Prospect	Northing	Easting	From	To	Interval	Mn(%)	Including	Fe(%)	SiO2(%)	P(%)
				14	16	2	13.13		11.31	43.26	0.105
BBRC00069		7297500	770600	19	27	9	12.6	2m @ 18.70	11.08	43.23	0.072
BBRC00070		7297700	770600	8	13	5	9.29		12.4	45.44	0.102
BBRC00071		7297800	770600	11	15	4	10.92		11.63	45.08	0.106
BBRC00072		7297900	770600	22	23	1	12.03		6.79	48.75	0.048
BBRC00074		7297400	768100	14	22	8	9.72	1m @ 13.71	13.5	44.03	0.124
BBRC00075	Tangadie	7297300	768100	15	16	1	14.43		11.59	39.86	0.07
BBRC00076		7297200	768100	11	21	10	10.46	3m @ 13.02	11.62	45.7	0.092
BBRC00078		7297400	767300	4	9	5	10.21		10.84	46.16	0.114
				15	18	3	11.72		10.52	43.82	0.237
BBRC00079		7297500	767300	19	20	1	12.23		9.35	44.94	0.14
BBRC00087	Bindi Bindi Hill	7299400	763400	11	15	4	10.9	1m @ 14.09	10.67	45.39	0.106
BBRC00088		7299500	763400	9	10	1	13.55		9.56	43.89	0.096
				18	19	1	10.48		11.18	46.37	0.144
BBRC00089		7299600	763400	11	15	4	10.24		9.89	47.39	0.091
				18	19	1	12.03		13.16	42.51	0.083
BBRC00090		7299300	763400	14	15	1	10.58		10.09	46.7	0.061
BBRC00091	Cadgies Flats	7303700	769600	5	8	3	11.16	1m @ 14.65	9.68	46.84	0.048
				10	13	3	13.08	1m @ 17.27	11.99	42.45	0.067
BBRC00092		7304600	769600	10	15	5	13.54	1m @ 18.82	10.79	42.14	0.186
BBRC00093		7304300	768700	3	5	2	9.68		9.86	48.06	0.116
				7	8	1	10.18		8.17	48.44	0.074
				12	13	1	10.45		11.18	45.54	0.092
				18	22	4	11.85		14.82	40.74	0.155
BBRC00094		7304200	768700	10	19	9	12.04	1m @ 15.61	11.05	43.83	0.145
BBRC00095		7304700	769600	0	2	2	20.54		9.12	33.46	0.048
				13	14	1	10.05		14.78	43.5	0.109
BBRC00097	Illgararie Ridge	7304700	772600	4	7	3	12.76		13.65	40.27	0.202
				10	11	1	11.92		11.73	44.05	0.144
BBRC00098		7304800	772600	9	13	4	12.59	1m @ 15.61	6.03	40.35	0.089
				17	21	4	18.31	1m @ 23.92	11.37	36.12	0.204
BBRC00099		7304900	772600	12	13	1	11.48		8.5	47.26	0.048
				19	20	1	10.38		14.98	43.16	0.092

3.2. Copper

RC Drilling completed on copper targets within the Butcherbird Project area. Composite results shown using a bottom cut of approximately 8% manganese. Assays are from 1m splits using mixed acid digest (sulphide) or aqua regia (oxide) and ICP-OES.

HOLE ID	North (MGA)	East (MGA)	FROM	TO	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	COMPOSITE
10BBC01	7297184	775763	15	16	0.46	228	221	293	80	2	185	
			16	17	9.69	483	216	51	58	1	75	
			17	18	10.79	620	358	36	54	2	83	
			18	19	4.35	785	274	159	58	1	117	
			19	20	3.06	375	165	64	66	1	61	
			20	21	0.22	531	175	392	150	1	20	
			21	22	0.1	269	96	264	91	1	6	
			22	23	0.11	508	200	603	252	2	8	4m @ 6.97% Cu, 566ppm Co
10BBC02	7297157	775777	52	53	0.43	117	71	878	250	10	132	
			53	54	0.15	13	25	399	60	2	34	
10BBC03	7297209	775820	20	21	0.15	43	64	143	56	1	75	
10BBC05	7297137	775677	19	20	0.11	475	143	50	40	1	28	4m @ 1.52% Cu, 140ppm Co
			20	21	0.04	30	23	54	23	0.5	38	
			21	22	0.05	30	35	275	26	1	178	
			22	23	0.34	125	116	535	47	2	425	
			23	24	1.69	128	154	449	36	2	449	
			24	25	1.36	152	185	447	101	2	289	
			25	26	0.45	16	34	256	101	1	115	
			26	27	0.79	22	50	779	320	5	156	
			27	28	0.14	203	149	1490	850	2	57	
			28	29	0.04	49	121	1540	730	2	29	
			29	30	0.06	43	136	1940	1075	41	7	
			30	31	0.02	35	127	1775	805	3	4	
			31	32	0.01	35	119	601	1175	3	2	
10BBC06	7297113	775687	51	52	0.34	67	93	316	141	10	35	
			52	53	0.08	50	120	785	142	4	210	
			53	54	0.45	215	163	996	76	62	103	
10BBC07	7297166	775718	10	11	0.3	3	7	114	10	2	7	
			11	12	0.05	4	7	123	11	2	6	
			12	13	0.06	14	11	301	19	1	11	
			13	14	0.34	93	37	647	41	4	174	
			14	15	3.5	356	114	585	131	5	340	
			15	16	0.82	103	45	252	54	2	118	
			16	17	1.9	318	108	379	91	5	380	
			17	18	0.46	294	85	459	79	7	615	10m @ 0.77% Cu and 167ppm Co
			18	19	0.19	279	52	333	72	6	410	incl. 3m @ 2.08% Cu and 259ppm Co
			19	20	0.09	210	74	366	61	1	43	
10BBC08	7297142	775735	47	48	0.22	202	245	30	645	5	195	
10BBC09	7297119	775798	85	86	0.17	24	58	55	70	3	2.5	
			96	97	0.24	60	109	31	78	2	57	
			97	98	0.3	72	144	31	101	3	99	

HOLE ID	North (MGA)	East (MGA)	FROM	TO	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	COMPOSITE
			98	99	0.31	87	240	32	164	2	210	
			99	100	0.13	52	136	12	81	2	120	
			100	101	0.16	72	97	22	76	1	98	
			101	102	0.36	462	189	546	117	30	635	
			102	103	0.64	254	252	175	112	8	225	
			103	104	0.38	164	241	124	134	6	230	
			104	105	0.15	125	160	128	74	4	155	9m @ 0.30% Cu & 150ppm Co
10BBC10	7297206	775792	14	15	0.1	620	77	24	21	1	4	
10BBC11	7297180	775804	40	41	0.16	145	34	125	60	1	15	
			41	42	0.17	241	65	162	135	2	102	
			42	43	3.3	102	79	252	287	122	224	
			43	44	0.42	24	23	135	75	14	64	
			44	45	0.46	25	25	137	73	5	55	
			45	46	0.13	16	63	52	66	3	26	
			46	47	0.1	38	142	30	146	5	19	
			47	48	0.1	87	179	12	275	4	7	8m @ 0.6% Cu and 85ppm Co
10BBC14	7297083	775817	154	155	1.56	912	656	17	115	2	148	
			155	156	0.57	665	541	27	84	2	42	
			156	157	LNR	LNR	LNR	LNR	LNR	LNR	LNR	
			157	158	0.36	935	612	51	42	7	61	
			158	159	0.31	885	653	31	38	3	35	
			159	160	0.49	819	552	26	67	3	25	
			160	161	0.65	316	287	22	70	2	31	
			161	162	0.17	173	216	18	32	1	27	
			162	163	0.24	915	835	21	23	1	33	
			163	164	0.83	1155	1005	31	43	2	60	
			164	165	0.39	339	408	73	89	1	75	
			165	166	0.23	311	384	16	31	1	33	
			166	167	0.53	380	398	85	136	2	51	
			167	168	2.43	5500	4460	283	110	47	216	
			168	169	0.33	581	508	27	24	3	20	
			169	170	0.14	214	250	13	17	1	27	
			170	171	1.29	353	403	13	10	2	115	
			171	172	0.15	144	191	12	10	1	39	18m @ 0.63% Cu & 859ppm Co
			172	176	1.44	731	514	235	54	5	319	
			173	180	0.71	381	443	299	101	2	137	
			180	181	0.15	226	325	197	280	1	53	
			181	182	0.23	263	351	17	24	2	49	

HOLE ID	North (MGA)	East (MGA)	FROM	TO	Cu (%)	Co (ppm)	Ni (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Sb (ppm)	COMPOSITE
			18 2	183	0.23	183	286	31	62	3	96	
			18 3	184	0.23	164	314	42	55	1	183	
			18 4	185	0.38	622	761	15	22	2	66	
			18 5	186	1.28	1100	1477	35	67	2	484	
			18 6	187	1.3	1150	1379	99	193	4	855	
			18 7	188	3.25	1400	1694	61	119	6	725	10m @ 0.82% Cu & 581ppm Co
			18 8	189	0.49	319	392	57	33	1	118	incl. 3m @ 1.94% Cu and 0.12% Co
			18 9	190	0.12	278	127	116	39	3	39	

4. Appendix 3 –Beneficiation Details

Composite	Rock Unit	From	To	Feed Description	Yield	Mn %	P %	Fe %	SiO2 %
208-1	Manganese Zone Mineralisation	0	5	DMS Concentrate	23.3%	37.65	0.06	8.71	16.36
				DMS Tail	8.8%	7.06	0.09	17.14	44.92
				-1.18mm Fines%	68.0%				
208-2	Manganese Zone Mineralisation	5	10	DMS Concentrate	12.0%	36.24	0.08	9.48	16.73
				DMS Tail	4.0%	2.13	0.23	34.99	31.77
				-1.18mm Fines%	84.0%				
208-3	Manganese Zone Mineralisation	10	17	DMS Concentrate	11.3%	31.15	0.09	13.99	18.26
				DMS Tail	6.1%	5.89	0.27	32.20	29.31
				-1.18mm Fines%	82.5%				
091-1	Manganese Zone Mineralisation	0	5	DMS Concentrate	13.8%	32.97	0.11	12.35	17.95
				DMS Tail	5.3%	11.90	0.26	26.89	27.09
				-1.18mm Fines%	80.9%				
091-3	Manganese Zone Mineralisation	10	16	DMS Concentrate	15.9%	35.88	0.11	8.50	17.86
				DMS Tail	4.9%	21.17	0.18	16.21	24.13
				-1.18mm Fines%	79.2%				
091-4	Manganese Zone Mineralisation	16	21	DMS Concentrate	4.2%	35.84	0.07	7.30	18.67
				DMS Tail	17.1%	3.24	0.06	8.69	54.64
				-1.18mm Fines%	78.7%				
201-1	Manganese Zone Mineralisation	7	13	DMS Concentrate	11.4%	34.97	0.08	9.06	19.22
				DMS Tail	11.1%	26.01	0.10	11.43	26.78
				-1.18mm Fines%	77.5%				
201-2	Manganese Zone Mineralisation	13	19	DMS Concentrate	4.4%	30.22	0.14	11.75	20.90
				DMS Tail	16.5%	21.74	0.13	15.99	26.93
				-1.18mm Fines%	79.0%				
201-4	Manganese Zone Mineralisation	24	29	DMS Concentrate	17.5%	31.47	0.14	13.18	18.60
				DMS Tail	6.0%	14.11	0.33	25.48	25.64
				-1.18mm Fines%	76.5%				
185-1	Caprock, minor Manganese	0	5	DMS Concentrate	11.2%	34.11	0.07	11.64	17.82
				DMS Tail	27.2%	5.29		15.27	51.17
				-1.18mm Fines%	61.6%				
185-2	Manganese Zone Mineralisation	5	10	DMS Concentrate	15.5%	37.29	0.08	7.71	18.13
				DMS Tail	5.8%	19.00		17.16	30.03
				-1.18mm Fines%	78.7%				
185-3	Manganese Zone Mineralisation	10	15	DMS Concentrate	18.5%	33.81	0.11	10.72	18.84
				DMS Tail	10.2%	24.60		15.25	25.41
				-1.18mm Fines%	71.2%				
185-4	Manganese Zone Mineralisation	15	21	DMS Concentrate	20.7%	33.88	0.10	10.12	18.70
				DMS Tail	6.9%	20.06		18.54	27.38
				-1.18mm Fines%	72.5%				
185-5	Manganese Zone Mineralisation	21	25	DMS Concentrate	5.9%	33.97	0.17	11.98	16.19
				DMS Tail	6.5%	6.85		28.03	31.22
				-1.18mm Fines%	87.7%				
138-2	Manganese Zone Mineralisation	7	12	DMS Concentrate	10.8%	36.56	0.07	8.39	18.74
				DMS Tail	15.5%	20.20		14.00	30.94
				-1.18mm Fines%	73.7%				
138-3	Manganese Zone Mineralisation	12	17	DMS Concentrate	14.2%	36.25	0.09	7.69	19.03
				DMS Tail	8.7%	23.72		14.10	27.15

Composite	Rock Unit	From	To	Feed Description	Yield	Mn %	P %	Fe %	SiO2 %
				-1.18mm Fines%	77.0%				
138-4	Manganese Zone Mineralisation	17	23	DMS Concentrate	14.0%	34.36	0.09	9.02	19.64
				DMS Tail	9.7%	27.13		11.70	25.80
				-1.18mm Fines%	76.3%				
138-5	Manganese Zone Mineralisation	23	27	DMS Concentrate	6.5%	36.10	0.13	7.86	16.88
				DMS Tail	5.4%	17.77		16.78	31.06
				-1.18mm Fines%	88.1%				

Table 10. Table 1: XRF assay values of DMS fractions at 3.4 SG. Analyses was performed on the >1.18mm fraction. Yield % values for each composite are calculated from mass recoveries. Composites which yielded concentrate grades >30%Mn are shown.

5 drill holes were selected for DMS test work. Each hole was further subdivided into approx 5m benches, based on geological boundaries. Each bench comprises 1m drilled intervals composited by the test lab.

Each Composite was screened at 1.18mm to separate out the fines fraction, which comprises weathered clays and finely pulverised rock material. The composites were then crushed to achieve a grain size of between 1.18mm and 6.7mm.

The feed material was run through the Dense Media Separation Cyclone at a SG. of 3.4. The DMS Concentrate material comprises rock chips with SG.'s greater than 3.4, while the DMS Tail constitutes material with SG.s lighter than 3.4.

The Concentrate and Tails were analysed using Fused Bead XRF to determine grades as reported. The fines fraction was not assayed due to the high clay contents.

All testwork was undertaken by Nagrom, with specialised equipment suited to this small scale DMS study.

10DD01: MZ 5.9 - 21.0m CIRCUIT SUMMARY									
PRODUCT	Yield %	Mn		Fe		SiO2		Al2O3	
		%	dist.	%	dist.	%	dist.	%	dist.
HG Primary Concentrate	27.05%	35.69	67.80%	8.51	21.92%	17.720	11.34%	4.90	12.50%
Secondary Concentrate	10.60%	28.83	21.47%	12.70	12.83%	20.757	5.21%	5.39	5.39%
Process Tails	9.21%	14.17	9.17%	19.06	16.72%	31.442	6.85%	7.44	6.46%
Fine Tails	53.14%	0.42	1.57%	9.59	48.53%	60.940	76.60%	15.10	75.65%
Calculated Head	100.00%	14.24	100.00%	10.50	100.00%	42.272	100.00%	10.61	100.00%

Table 16 10DD01 Circuit Summary

10DD02: MZ 14.1 - 29.0m CIRCUIT SUMMARY									
PRODUCT	Yield %	Mn		Fe		SiO2		Al2O3	
		%	dist.	%	dist.	%	dist.	%	dist.
HG Primary Concentrate	12.62%	25.59	30.23%	17.25	17.26%	19.896	5.78%	5.17	6.22%
Secondary Concentrate	16.38%	25.25	38.73%	15.64	20.32%	21.672	8.17%	5.47	8.54%
Process Tails	24.89%	11.63	27.11%	17.18	33.91%	36.754	21.05%	8.55	20.27%
Fine Tails	46.10%	0.91	3.93%	7.80	28.51%	61.270	65.00%	14.79	64.97%
Calculated Head	100.00%	10.68	100.00%	12.61	100.00%	43.459	100.00%	10.50	100.00%

Table 17 10DD02 Circuit Summary

10DD04: MZ 12.6 - 27.4m CIRCUIT SUMMARY									
PRODUCT	Yield %	Mn		Fe		SiO2		Al2O3	
		%	dist.	%	dist.	%	dist.	%	dist.
HG Primary Concentrate	17.21%	28.92	44.12%	14.40	18.55%	19.890	8.10%	5.22	8.70%
Secondary Concentrate	13.92%	25.78	31.80%	15.26	15.89%	21.603	7.12%	5.47	7.37%
Process Tails	33.84%	7.42	22.25%	14.92	37.79%	44.907	35.97%	10.50	34.39%
Fine Tails	35.03%	0.59	1.83%	10.59	27.77%	58.850	48.81%	14.62	49.55%
Calculated Head	100.00%	11.28	100.00%	13.36	100.00%	42.243	100.00%	10.34	100.00%

Table 18 10DD04 Circuit Summary

10DD05: MZ 8.0 - 25.5m CIRCUIT SUMMARY									
PRODUCT	Yield %	Mn		Fe		SiO2		Al2O3	
		%	dist.	%	dist.	%	dist.	%	dist.
HG Primary Concentrate	14.35%	36.83	48.89%	8.59	10.25%	17.220	5.29%	4.81	6.95%
Secondary Concentrate	9.29%	28.09	24.13%	13.43	10.37%	21.060	4.18%	5.48	5.12%
Process Tails	17.29%	12.43	19.88%	19.01	27.32%	33.816	12.50%	7.97	13.88%
Fine Tails	59.07%	1.30	7.10%	10.60	52.06%	61.760	78.03%	12.44	74.04%
Calculated Head	100.00%	10.81	100.00%	12.03	100.00%	46.756	100.00%	9.92	100.00%

Table 19 10DD05 Circuit Summary

10DD06: MZ 4.9 - 16.6m CIRCUIT SUMMARY									
PRODUCT	Yield %	Mn		Fe		SiO2		Al2O3	
		%	dist.	%	dist.	%	dist.	%	dist.
HG Primary Concentrate	14.95%	33.68	37.67%	10.69	11.85%	17.883	6.68%	4.53	7.37%
Secondary Concentrate	15.09%	26.76	30.20%	14.65	16.40%	21.261	8.02%	5.30	8.70%
Process Tails	26.60%	12.46	24.80%	19.98	39.42%	32.152	21.38%	7.64	22.12%
Fine Tails	43.36%	2.26	7.33%	10.05	32.33%	58.970	63.92%	13.10	61.81%
Calculated Head	100.00%	13.37	100.00%	13.48	100.00%	40.005	100.00%	9.19	100.00%

Table 20 10DD06 Circuit Summary

Table 11. Summary data from phase 2 <1mm grinding and wet table separation studies.

Montezuma Mining Company Limited

ABN 46 119 711 929

Annual Financial Report

for the year ended 30 June 2011

Corporate Information

ABN 46 119 711 929

Directors

Seamus Cornelius (Non-Executive Chairman)

Justin Brown (Managing Director)

John Ribbons (Non-Executive Director)

Company Secretary

John Ribbons

Registered Office

Ground Floor, 20 Kings Park Road
WEST PERTH WA 6005

Principal Place of Business

31 Ventnor Avenue
WEST PERTH WA 6005
Telephone: +61 8 6315 1400
Facsimile: +61 8 9486 7093

Solicitors

House Legal
86 First Avenue
MT LAWLEY WA 6050

Bankers

National Australia Bank Limited
1232 Hay Street
WEST PERTH WA 6005

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 8 9315 2333
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Auditors

Rothsay Chartered Accountants
Level 18, Central Park Building
152-158 St Georges Terrace
PERTH WA 6000

Internet Address

www.montezumamining.com.au

Stock Exchange Listing

Montezuma Mining Company Limited shares (Code: MZM) are listed on the Australian Securities Exchange.

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Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Montezuma Mining Company Limited and the entities it controlled at the end of, or during, the year ended 30 June 2011.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Seamus Cornelius, (Non-Executive Chairman, appointed 30 June 2011, audit committee member)

Mr Cornelius brings 21 years of corporate experience in both legal and commercial negotiations. Mr Cornelius has been based in Shanghai and Beijing since 1993 where he has been living and working as a corporate lawyer.

From 2000 to 2010, Mr Cornelius was an international partner with one of Australia's leading law firms and specialised in dealing with cross border investments, particularly in the energy and resource sectors. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years advised Chinese state owned entities on their investments in natural resource projects outside China, including Australia. Mr Cornelius is also chairman of Buxton Resources Limited. Mr Cornelius has not held any former directorships in the last 3 years.

Justin Brown, B.Sc. (Hon), (Managing Director)

Mr Brown is a geologist with extensive experience in minerals exploration in Australia and New Zealand. He has a strong technical background with experience in the full spectrum of mineral exploration and mining from grass roots target generation through to resource mining and mine production.

Mr Brown's previous experience in the mining industry culminated in a position managing exploration for a large multinational company in the Leonora, Edjudina and Marvel Loch regions of Western Australia. He is the founding Managing Director of the Company.

Mr Brown has also worked in business circles away from mining and exploration, having founded and operated a successful internet services consultancy enhancing his management expertise which he brings to the Board. Mr Brown has not held any former directorships in the last 3 years.

John Ribbons, B.Bus., CPA, ACIS (Non-Executive Director, Chairman of audit committee)

Mr Ribbons is an accountant who has worked within the resources industry for over fifteen years in the capacity of company accountant, group financial controller or company secretary.

Mr Ribbons has extensive knowledge and experience with ASX listed production and exploration companies. He has considerable site based experience with operating mines and has also been involved with the listing of several exploration companies on ASX. Mr Ribbons has experience in capital raising, ASX and TSX compliance and regulatory requirements. Mr Ribbons has not held any former directorships in the last 3 years.

Denis O'Meara was a director from the beginning of the financial year until 30 June 2011.

Ian "Inky" Cornelius was a director from the beginning of the financial year until 14 July 2010.

COMPANY SECRETARY

John Ribbons

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

As at the date of this report, the interests of the directors in the shares and options of Montezuma Mining Company Limited were:

	Ordinary Shares	Options over Ordinary Shares
Seamus Cornelius	2,868,655	3,000,000
Justin Brown	2,112,500	2,500,000
John Ribbons	291,671	1,000,000

Directors' Report continued

PRINCIPAL ACTIVITIES

During the year the Group carried out exploration on its tenements and applied for or acquired additional tenements with the objective of identifying economic mineral deposits.

There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

Finance Review

The Group began the financial year with a cash reserve of \$6,091,406. Funds were used to acquire and actively advance the Group's projects located in Australia.

During the year total tenement acquisition and exploration expenditure incurred by the Group amounted to \$3,504,069. In line with the Group's accounting policies, all exploration expenditure was written off at year end. The Company received income of \$829,484 (2010: \$4,477,482) from the sale of tenement interests and royalty receipts, and recognised a fair value gain on financial assets of \$264,450 (2010: \$3,307,410 fair value gain). Net administration expenditure incurred amounted to \$1,806,665 (2010: \$1,233,119). This has resulted in an operating loss after income tax for the year ended 30 June 2011 of \$3,602,100 (2010: \$5,049,048 profit).

At 30 June 2011 surplus funds available totalled \$3,398,780.

Operating Results for the Year

Summarised operating results are as follows:

	2011	
	Revenues	Results
	\$	\$
Consolidated entity revenues and loss from ordinary activities before income tax expense	1,386,969	(4,216,800)

Shareholder Returns

	2011	2010
Basic (loss)/earnings per share (cents)	(8.1)	12.0
Diluted (loss)/earnings per share (cents)	(8.1)	11.0

Risk Management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Group believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- During the year the Company issued 6,746,442 ordinary shares on the exercise of options to raise a total of \$1,578,139.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at note 24, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the Company's operations.

Directors' Report continued

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Montezuma Mining Company Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board of Montezuma Mining Company Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. 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.

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

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

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

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

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. 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. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced. For details of directors and executives interests in options at year end, refer to note 18 of the financial statements.

Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) and specified executives of Montezuma Mining Company Limited and the Montezuma Mining Company Group are set out in the following table.

The key management personnel of Montezuma Mining Company Limited and the Group include the directors as per page 3.

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

Directors' Report continued

Key management personnel and other executives of Montezuma Mining Company Limited and the Group

	Short-Term		Post Employment		Share-based	Total
	Salary & Fees	Non Monetary	Superannuation	Retirement benefits	Payments	
	\$	\$	\$	\$	Options	\$
Directors						
Seamus Cornelius (appointed 30 June 2011)						
2011	-	-	-	-	-	-
Justin Brown						
2011	199,539	3,513	17,958	-	90,500	311,510
2010	157,250	2,265	14,153	-	55,850	229,518
John Ribbons (appointed 14 July 2010)						
2011	33,807	3,367	-	-	90,500	127,674
2010	-	-	-	-	-	-
Denis O'Meara (retired 30 June 2011)						
2011	37,500	3,513	3,375	-	-	44,388
2010	42,637	2,265	3,837	-	-	48,739
Ian Cornelius (retired 14 July 2010)						
2011	1,458	146	-	-	-	1,604
2010	29,750	2,265	-	-	-	32,015
Total key management personnel compensation						
2011	272,304	10,539	21,333	-	181,000	485,176
2010	229,637	6,795	17,990	-	55,850	310,272

Service agreements

The details of service agreements of the key management personnel of Montezuma Mining Company Limited and the Group are as follows:

Justin Brown, Managing Director:

- Term of agreement – 30 June 2012.
- Annual salary of \$200,000 (plus 9% statutory superannuation) plus the provision of income protection insurance, to be reviewed annually.
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to six months total salary.

Share-based compensation

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Montezuma Mining Company Limited to increase goal congruence between executives, directors and shareholders. The following options were granted to or vesting with key management personnel during the year:

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number	% of Remuneration
Directors								
Justin Brown	26/11/2010	500,000	26/11/2010	30/11/2015	65.0	18.1	N/A	29.1
John Ribbons	26/11/2010	500,000	26/11/2010	30/11/2015	65.0	18.1	N/A	70.1

There were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Montezuma Mining Company Limited during the year.

Directors' Report continued

DIRECTORS' MEETINGS

During the year the Company held seven meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings		Audit Committee Meetings	
	A	B	A	B
Seamus Cornelius (appointed 30 June 2011)	-	-	-	-
Justin Brown	7	7	*	*
John Ribbons	7	7	-	-
Denis O'Meara (retired 30 June 2011)	7	7	-	-
Ian Cornelius (retired 14 July 2010)	-	-	-	-

Notes

A - Number of meetings attended.

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

* Not a member of the Audit Committee.

SHARES UNDER OPTION

At the date of this report there are 7,800,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	26,825,267
Movements of share options during the year:	
Issued, exercisable at 20 cents, on or before 31 August 2011	600,000
Issued, exercisable at 58 cents, on or before 14 December 2013	3,000,000
Issued, exercisable at 65 cents, on or before 30 November 2015	1,000,000
Exercised (20 cents, 31 August 2011)	(4,871,442)
Exercised (20 cents, 2 March 2012)	(175,000)
Exercised (20 cents, 30 November 2012)	(450,000)
Exercised (30 cents, 16 April 2011)	(250,000)
Exercised (35 cents, 31 August 2011)	(1,000,000)
Total number of options outstanding as at 30 June 2011	24,678,825
Movements of share options after the reporting date:	
Exercised (20 cents, 31 August 2011)	(11,878,825)
Exercised (35 cents, 23 July 2011)	(1,500,000)
Exercised (35 cents, 31 August 2011)	(3,500,000)
Total number of options outstanding as at the date of this report	7,800,000

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
2 March 2012	20	700,000
30 November 2012	20	3,050,000
30 November 2012	35	50,000
14 December 2013	58	3,000,000
30 November 2015	65	1,000,000
Total number of options outstanding at the date of this report		7,800,000

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

Directors' Report continued

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Montezuma Mining Company Limited were issued during the year ended 30 June 2011, and up to the date of this report, on the exercise of options. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
9 November 2006	20 cents	16,150,267
8 April 2008	20 cents	175,000
19 October 2009	20 cents	450,000
22 July 2010	20 cents	600,000
16 April 2010	30 cents	250,000
21 June 2006	35 cents	3,500,000
23 July 2007	35 cents	1,500,000
15 November 2007	35 cents	1,000,000
		23,625,267

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Montezuma Mining Company Limited against costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

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

The total amount of insurance contract premiums paid is \$12,124.

NON-AUDIT SERVICES

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

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

Rothsay Chartered Accountants received or are due to receive the following amounts for the provision of non-audit services:

	2011	2010
	\$	\$
Tax compliance services	2,500	2,000

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Signed in accordance with a resolution of the directors.



Justin Brown

Managing Director

Perth, 27 September 2011

*R*OTHSA Y

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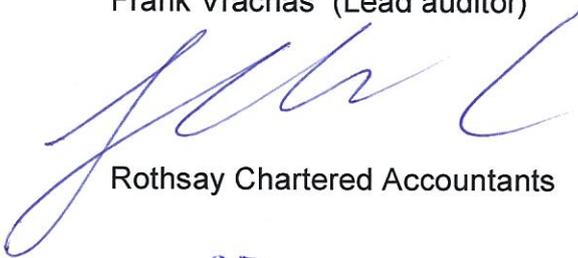
The Directors
Montezuma Mining Company Ltd
PO Box 8535
Perth Business Centre WA 6849

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2011 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Frank Vrachas (Lead auditor)



Rothsay Chartered Accountants

Dated 27 September 2011



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

Corporate Governance Statement

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any share holding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

The membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees (other than an Audit Committee) at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

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

Independent Professional Advice

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

Continuous Review of Corporate Governance

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

ASX Principles of Good Corporate Governance

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

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

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

Corporate Governance Statement continued

	ASX Principle	Status	Reference/comment
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	A	Matters reserved for the board are included on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives	N/A	The remuneration of executive and non-executive directors is reviewed by the board with the exclusion of the Director concerned. The remuneration of management and employees is reviewed by the Managing Director and approved by the Board. Acting in its ordinary capacity, the board from time to time carries out the process of considering and determining performance issues.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	A (in part)	
Principle 2: Structure the board to add value			
2.1	A majority of the board should be independent directors	A	
2.2	The chair should be an independent director	A	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	A	The positions of Chairman and Managing Director are held by separate persons.
2.4	The board should establish a nomination committee	A	The full board is the nomination committee. Acting in its ordinary capacity from time to time as required, the board carries out the process of determining the need for screening and appointing new Directors. In view of the size and resources available to the Company it is not considered that a separate nomination committee would add any substance this process.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	N/A	Given the size and nature of the Company a formal process for evaluating performance has not been developed.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	A (in part)	The skills and experience of Directors are set out in the Company's Annual Report and on its website.
Principle 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: <ul style="list-style-type: none"> 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 	A	The Company has formulated a Code of Conduct which can be viewed on the Company's website.
3.2	Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy	A	The Company has formulated a securities trading policy, which can be viewed on the Company's website.

A = Adopted

N/A = Not adopted

Corporate Governance Statement continued

	ASX Principle	Status	Reference/comment
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3	A	
	Principle 4: Safeguard integrity in financial reporting		
4.1	The board should establish an audit committee	A	The full Board carries out the duties that would normally fall to the Audit Committee. The charter for this committee is disclosed on the Company's website.
4.2	The audit committee should be structured so that it:	A	
	• consists only of non-executive directors	N/A	
	• consists of a majority of independent directors	A	
	• is chaired by an independent chair, who is not chair of the board	A	
	• has at least three members	A	
4.3	The audit committee should have a formal charter	A	
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	A	
	Principle 5: Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	A	The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations. The board is acutely aware of the continuous disclosure regime and there are strong informal systems in place to ensure compliance, underpinned by experience.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	A	The Board receives monthly reports on the status of the Company's activities and any new or proposed activities. Disclosure is reviewed as a routine agenda item at each board meeting.
	Principle 6: Respect the rights of shareholders		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	A	In line with adherence to continuous disclosure requirements of ASX, all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Reports, Half Yearly Reports, Quarterly Reports, the Company Website and the distribution of specific releases covering major transactions and events or other price sensitive information.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	A	The Company has formulated a Communication Policy which can be viewed on the Company's website.

A = Adopted

N/A = Not adopted

Corporate Governance Statement continued

	ASX Principle	Status	Reference/comment
Principle 7:	Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	A	While the Company does not have formalised policies on risk management the board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors. Determined areas of risk which are regularly considered include: <ul style="list-style-type: none"> • performance and funding of exploration activities • budget control and asset protection • status of mineral tenements • land access and native title considerations • compliance with government laws and regulations • safety and the environment • continuous disclosure obligations • share market conditions • economic risk
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks	N/A	While the Company does not have formalised policies on risk management it recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	A	
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	N/A	
Principle 8:	Remunerate fairly and responsibly		
8.1	The board should establish a remuneration committee	A	The full Board carries out the duties that would normally fall to the Remuneration Committee.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	A	
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	A	For details on the Remuneration Committee refer to the Annual Report and the Corporate Governance section of the Company's website.

A = Adopted

N/A = Not adopted

Montezuma Mining Company Limited

Consolidated Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2011

	Notes	Consolidated	
		2011 \$	2010 \$
REVENUE	4	417,519	574,283
Other income	5	969,450	7,352,410
EXPENDITURE			
Depreciation expense		(19,380)	(11,170)
Salaries and employee benefits expense		(200,394)	(119,156)
Exploration expenditure		(3,504,069)	(1,502,725)
Secretarial and share registry expenses		(103,104)	(58,870)
Administration expenses		(309,542)	(217,389)
Share based payment expense	27	(1,467,280)	(187,505)
(LOSS)/PROFIT BEFORE INCOME TAX		(4,216,800)	5,829,878
INCOME TAX BENEFIT/(EXPENSE)	7	614,700	(780,830)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF MONTEZUMA MINING COMPANY LIMITED		(3,602,100)	5,049,048
(LOSS)/EARNINGS PER SHARE FOR (LOSS)/PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic (loss)/earnings per share (cents per share)	26	(8.1)	12.0
Diluted (loss)/earnings per share (cents per share)	26	(8.1)	11.0

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2011	Notes	Consolidated	
		2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	8	3,398,780	6,091,406
Trade and other receivables	9	113,917	63,635
Financial assets at fair value through profit or loss	10	3,619,000	2,498,000
TOTAL CURRENT ASSETS		7,131,697	8,653,041
NON-CURRENT ASSETS			
Receivables	11	619,300	594,300
Plant and equipment	12	47,180	32,548
TOTAL NON-CURRENT ASSETS		666,480	626,848
TOTAL ASSETS		7,798,177	9,279,889
CURRENT LIABILITIES			
Trade and other payables	13	412,031	556,232
Current tax liabilities		-	166,130
TOTAL CURRENT LIABILITIES		412,031	722,362
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	-	614,700
TOTAL NON-CURRENT LIABILITIES		-	614,700
TOTAL LIABILITIES		412,031	1,337,062
NET ASSETS		7,386,146	7,942,827
EQUITY			
Issued capital	15	7,298,749	5,720,610
Reserves	16(a)	2,133,907	666,627
(Accumulated losses)/Retained earnings	16(b)	(2,046,510)	1,555,590
TOTAL EQUITY		7,386,146	7,942,827

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2011

	Notes	Contributed Equity \$	Options Reserve \$	(Accumulated Losses) / Retained Earnings \$	Total \$
Consolidated					
BALANCE AT 1 JULY 2009		5,650,610	479,122	(3,493,458)	2,636,274
Profit for the year	16(b)	-	-	5,049,048	5,049,048
TOTAL COMPREHENSIVE INCOME		-	-	5,049,048	5,049,048
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	15	70,000	-	-	70,000
Employee and consultant options	16(a)	-	187,505	-	187,505
BALANCE AT 30 JUNE 2010		5,720,610	666,627	1,555,590	7,942,827
Loss for the year	16(b)	-	-	(3,602,100)	(3,602,100)
TOTAL COMPREHENSIVE LOSS		-	-	(3,602,100)	(3,602,100)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	15	1,578,139	-	-	1,578,139
Employee and consultant options	16(a)	-	1,467,280	-	1,467,280
BALANCE AT 30 JUNE 2011		7,298,749	2,133,907	(2,046,510)	7,386,146

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2011

	Notes	Consolidated	
		2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(596,713)	(342,089)
Interest received		299,929	98,228
Receipts from royalties on mining interests		124,484	432,482
Proceeds on sale of mining interests		-	4,445,000
Expenditure on mining interests		(3,713,330)	(1,738,755)
Proceeds from disposal of financial assets at fair value through profit or loss		14,000	1,000,000
Payments for financial assets at fair value through profit or loss		(165,550)	(72,000)
Income taxes paid		(166,130)	-
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	25	(4,203,310)	3,822,866
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(42,455)	(9,668)
Payments for tenement bonds		(25,000)	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(67,455)	(9,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		1,578,139	35,000
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,578,139	35,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,692,626)	3,848,198
Cash and cash equivalents at the beginning of the financial year		6,091,406	2,243,208
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	3,398,780	6,091,406

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Montezuma Mining Company Limited and its subsidiaries. The financial statements are presented in the Australian currency. Montezuma Mining Company Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 27 September 2011. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the Montezuma Mining Company Limited Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Montezuma Mining Company Limited ("Company" or "parent entity") as at 30 June 2011 and the results of all subsidiaries for the year then ended. Montezuma Mining Company Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Montezuma Mining Company Limited.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Montezuma Mining Company Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(i) Royalties income

Royalty income from the Company's Tribute Mining Agreement is recognised upon receipt of payment from the Perth Mint to the miner for each delivery of gold to the Perth Mint by the miner, in accordance with the terms of the Tribute Mining Agreement.

(ii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(e) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 21). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(j) Investments and other financial assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets - reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial investments is determined are disclosed in note 2.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or Company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(k) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(n) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 27.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(o) Issued capital

Ordinary shares are classified as equity.

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

(p) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Group.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Group.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011)

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011)

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012)

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011)

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

(s) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 27.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full board of directors as the Group believes that it is crucial for all board members to be involved in this process. The managing director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia, the Group is not exposed to any material foreign exchange risk.

(ii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss. Given the current level of operations, the Group is not currently exposed to commodity price risk.

The Group's equity investments are publicly traded on the ASX, with the investments being made for strategic purposes identified by the Board of Directors. The price risk is monitored by the Board and evaluated in accordance with these strategic outcomes.

Sensitivity analysis

At 30 June 2011, if the value of the equity instruments held had increased/decreased by 15% with all other variables held constant, post-tax loss for the Group would have been \$542,850 lower/higher, with no changes to other equity balances, as a result of gains/losses on equity securities classified as financial assets at fair value through profit or loss (2010: \$374,700 higher/lower profit).

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group \$3,398,780 (2010: \$6,091,406) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 7.2% (2010: 5.0%).

Sensitivity analysis

At 30 June 2011, if interest rates had changed by +/- 80 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$32,500 lower/higher (2010: \$22,500 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

2. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

The Group does not have any significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. 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. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment being exploration activities undertaken in Australia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Group's accounting policies.

	Consolidated	
	2011	2010
	\$	\$
Exploration segment		
Segment revenue	124,484	432,482
Reconciliation of segment revenue to total revenue before tax:		
Interest revenue	293,035	141,801
Total revenue	417,519	574,283
Segment results	(2,674,585)	2,974,757
Reconciliation of segment result to net (loss)/profit before tax:		
Other corporate and administration	(1,542,215)	2,855,121
Net (loss)/profit before tax	(4,216,800)	5,829,878
Segment operating assets	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	7,798,177	9,279,889
Total assets	7,798,177	9,279,889

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

		Consolidated	
	Notes	2011 \$	2010 \$
4. REVENUE			
From continuing operations			
<i>Other revenue</i>			
Interest		293,035	141,801
Royalties on mining interests		124,484	432,482
		417,519	574,283
5. OTHER INCOME			
Net gain on sale of mining interests		705,000	4,045,000
Fair value gains on financial assets at fair value through profit or loss		264,450	3,307,410
		969,450	7,352,410
6. EXPENSES			
Loss before income tax includes the following specific expenses:			
Minimum lease payments relating to operating leases		88,412	52,189
Defined contribution superannuation expense		67,557	45,853
7. INCOME TAX			
(a) Income tax expense			
Current tax		-	166,130
Deferred tax		(614,700)	614,700
		(614,700)	780,830
Deferred income tax (revenue)/expense included in income tax expense comprises:			
(Decrease)/Increase in deferred tax liabilities	14	(614,700)	614,700
		(614,700)	614,700
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
(Loss)/Profit from continuing operations before income tax expense		(4,216,800)	5,829,878
Prima facie tax (benefit)/expense at the Australian tax rate of 30% (2010: 30%)		(1,265,040)	1,748,963
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Share-based payments		440,184	56,252
		(824,856)	1,805,215
Movements in unrecognised temporary differences		210,156	(115,023)
Previously unrecognised tax losses recouped		-	(909,362)
Income tax (benefit)/expense		(614,700)	780,830
(c) Unrecognised temporary differences			
Deferred Tax Assets (at 30%)			
<i>On Income Tax Account</i>			
Carry forward tax losses		900,591	-
Deferred Tax Liabilities (at 30%)			
Financial assets at fair value through profit or loss		690,435	-

Net deferred tax assets were not brought to account as it was not considered probable within the immediate future that tax profits would be available against which deductible temporary differences and tax losses could be utilised.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	833,539	458,987
Short-term deposits	2,565,241	5,632,419
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	<u>3,398,780</u>	<u>6,091,406</u>
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.		
Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.		
9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Sundry receivables	107,410	58,605
Prepayments	6,507	5,030
	<u>113,917</u>	<u>63,635</u>
10. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Australian listed equity securities	3,619,000	2,498,000
Changes in fair values of financial assets at fair value through profit or loss are recorded in other income or other expenses in the statement of comprehensive income (notes 5 and 6 respectively).		
11. NON-CURRENT ASSETS - RECEIVABLES		
Environmental bond	619,300	594,300
12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	97,482	77,420
Accumulated depreciation	(50,302)	(44,872)
Net book amount	<u>47,180</u>	<u>32,548</u>
Movements:		
Opening net book amount	32,548	30,280
Additions	39,840	13,438
Disposals	(5,828)	-
Depreciation charge	(19,380)	(11,170)
Closing net book amount	<u>47,180</u>	<u>32,548</u>
13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	235,469	478,457
Other payables and accruals	176,562	77,775
	<u>412,031</u>	<u>556,232</u>
14. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES		
The balance comprises temporary differences attributable to:		
Financial assets at fair value through profit or loss	-	614,700
Movements:		
Opening balance	614,700	-
Charged to profit or loss	(614,700)	614,700
Closing balance	<u>-</u>	<u>614,700</u>

The entire balance of deferred tax liabilities is expected to be settled within 12 months.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

	Notes	2011		2010	
		Number of shares	\$	Number of shares	\$
15. ISSUED CAPITAL					
(a) Share capital					
Ordinary shares fully paid	15(b), 15(d)	48,848,345	7,298,749	42,101,903	5,720,610
Total issued capital		48,848,345	7,298,749	42,101,903	5,720,610
(b) Movements in ordinary share capital					
Beginning of the financial year		42,101,903	5,720,610	41,693,570	5,650,610
Issued during the year:					
– Issued on exercise of 20 cent options		5,496,442	1,153,139	175,000	35,000
– Issued on exercise of 30 cent options		250,000	75,000	-	-
– Issued on exercise of 35 cent options		1,000,000	350,000	-	-
– Issued as consideration for consulting services		-	-	233,333	35,000
End of the financial year		48,848,345	7,298,749	42,101,903	5,720,610

(c) Movements in options on issue

	Number of options	
	2011	2010
Beginning of the financial year	26,825,267	25,500,267
Issued during the year:		
– Exercisable at 30 cents, on or before 16 April 2011	-	250,000
– Exercisable at 20 cents, on or before 31 August 2011	600,000	-
– Exercisable at 20 cents, on or before 30 November 2012	-	1,500,000
– Exercisable at 35 cents, on or before 30 November 2012	-	50,000
– Exercisable at 58 cents, on or before 14 December 2013	3,000,000	-
– Exercisable at 65 cents, on or before 30 November 2015	1,000,000	-
Options exercised (30 cents, 16 April 2011)	(250,000)	-
Options exercised (20 cents, 31 August 2011)	(4,871,442)	-
Options exercised (35 cents, 31 August 2011)	(1,000,000)	-
Options exercised (20 cents, 2 March 2012)	(175,000)	(175,000)
Options exercised (20 cents, 30 November 2012)	(450,000)	-
Options cancelled (20 cents, 2 March 2012)	-	(300,000)
End of the financial year	24,678,825	26,825,267

(d) Ordinary shares

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

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

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

Notes to the Consolidated Financial Statements continued

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Consolidated

2011
\$

2010
\$

15. ISSUED CAPITAL (cont'd)

(e) Capital risk management

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

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 the current working capital position against 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 2011 and 30 June 2010 are as follows:

Cash and cash equivalents	3,398,780	6,091,406
Trade and other receivables	113,917	63,635
Financial assets at fair value through profit or loss	3,619,000	2,498,000
Trade and other payables	(412,031)	(556,232)
Current tax liabilities	-	(166,130)
Working capital position	<u>6,719,666</u>	<u>7,930,679</u>

16. RESERVES AND RETAINED EARNINGS

(a) Reserves

Share-based payments reserve

Balance at beginning of year	666,627	479,122
Employee and contractor share options	1,467,280	187,505
Balance at end of year	<u>2,133,907</u>	<u>666,627</u>

(b) (Accumulated losses)/Retained earnings

Balance at beginning of year	1,555,590	(3,493,458)
Net (loss)/profit for the year	(3,602,100)	5,049,048
Balance at end of year	<u>(2,046,510)</u>	<u>1,555,590</u>

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued.

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

Short-term benefits	282,843	236,432
Post employment benefits	21,333	17,990
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	181,000	58,850
	<u>485,176</u>	<u>310,272</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 5 and 6.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

18. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the remuneration report on page 6.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Montezuma Mining Company Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2011	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
<i>Directors of Montezuma Mining Company Limited</i>							
Seamus Cornelius (appointed 30 June 2011)	-	-	-	3,567,500	3,567,500	3,567,500	-
Justin Brown	5,512,500	500,000	-	-	6,012,500	6,012,500	-
John Ribbons	638,334	500,000	-	-	1,138,334	1,138,334	-
Denis O'Meara (retired 30 June 2011)	1,102,500	-	-	-	1,102,500	1,102,500	-
Ian Cornelius (retired 14 July 2010)	305,000	-	-	(305,000)	-	-	-

All vested options are exercisable at the end of the year.

2010	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
<i>Directors of Montezuma Mining Company Limited</i>							
Denis O'Meara	1,102,500	-	-	-	1,102,500	1,102,500	-
Justin Brown	5,012,500	500,000	-	-	5,512,500	5,512,500	-
Ian Cornelius	305,000	-	-	-	305,000	305,000	-
<i>Other key management personnel of the Company</i>							
John Ribbons	638,334	-	-	-	638,334	638,334	-

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Montezuma Mining Company Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2011	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
<i>Directors of Montezuma Mining Company Limited</i>				
Ordinary shares				
Seamus Cornelius (appointed 30 June 2011)	-	-	2,301,155	2,301,155
Justin Brown	1,100,000	-	-	1,100,000
John Ribbons	153,337	-	-	153,337
Denis O'Meara (retired 30 June 2011)	700,000	-	-	700,000
Ian Cornelius (retired 14 July 2014)	320,000	-	(320,000)	-

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

18. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

2010

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Montezuma Mining Company Limited				
Ordinary shares				
Denis O'Meara	700,000	-	-	700,000
Justin Brown	1,100,000	-	-	1,100,000
Ian Cornelius	320,000	-	-	320,000
Other key management personnel of the Company				
Ordinary shares				
John Ribbons	153,337	-	-	153,337

(c) Loans to key management personnel

There were no loans to key management personnel during the year.

Consolidated

2011	2010
\$	\$

19. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Audit services

Rothsay Chartered Accountants - audit and review of financial reports	40,591	39,000
Total remuneration for audit services	40,591	39,000

(b) Non-audit services

Rothsay Chartered Accountants – taxation advisory services	2,500	2,000
Total remuneration for other services	2,500	2,000

20. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Company at balance date.

21. COMMITMENTS

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

within one year	793,600	586,267
later than one year but not later than five years	3,174,400	2,345,068
	3,968,000	2,931,335

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

Consolidated

2011
\$

2010
\$

21. COMMITMENTS (cont'd)

(b) Lease commitments: Group as lessee

Operating leases (non-cancellable):

Minimum lease payments

within one year

142,165

35,712

later than one year but not later than five years

-

-

Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities

142,165

35,712

The property lease is a non-cancellable lease with a two year term, with rent payable monthly in advance. The rental agreement provides for a fixed rent increase of 4% after one year. The lease allows for subletting of all lease areas subject to permission from the lessor.

(c) Remuneration commitments

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the remuneration report on page 6 that are not recognised as liabilities and are not included in the key management personnel compensation.

Within one year

200,000

200,000

later than one year but not later than five years

-

200,000

200,000

400,000

22. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Montezuma Mining Company Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 23.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 18.

23. SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding ⁽¹⁾	
			2011 %	2010 %
Peak Hill Metals Pty Ltd	Australia	Ordinary	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

24. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Since the end of the reporting period the Company has issued 16,878,825 ordinary shares on the exercise of 11,878,825 20 cent and 5,000,000 35 cent options, to raise a total of \$4,125,765. In accordance with an underwriting agreement on the exercise of these options, a further 1,515,513 ordinary shares were issued at 20 cents per share to raise \$303,103.

No other matter or circumstance has arisen since 30 June 2011, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
25. STATEMENT OF CASH FLOWS		
Reconciliation of (loss)/profit after income tax to net cash (outflow)/inflow from operating activities		
(Loss)/profit for the year	(3,602,100)	5,049,048
Non-Cash Items		
Depreciation of non-current assets	19,380	11,170
Loss on disposal of plant and equipment	5,828	-
Employee and consultants option expense	1,467,280	187,505
Fair value (gains) on financial assets at fair value through profit and loss	(264,450)	(3,307,410)
Financial assets at fair value through profit or loss received as consideration on sale of mining properties	(705,000)	-
Expenses settled by the issue of ordinary shares or options	-	35,000
Change in operating assets and liabilities		
(Increase) in trade and other receivables	(50,282)	(21,851)
(Increase)/decrease in financial assets at fair value through profit or loss	(151,550)	928,000
(Decrease)/increase in trade and other payables	(141,586)	160,574
(Decrease)/increase in provision for income taxes payable	(166,130)	166,130
(Decrease)/increase in deferred tax liabilities	(614,700)	614,700
Net cash (outflow)/inflow from operating activities	<u>(4,203,310)</u>	<u>3,822,866</u>

26. EARNINGS PER SHARE

(a) Reconciliation of (loss)/earnings used in calculating (loss)/earnings per share

(Loss)/profit attributable to the owners of the Company used in calculating basic and diluted earnings per share	<u>(3,602,100)</u>	<u>5,049,048</u>
	Number of shares	Number of shares
	2011	2010

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	44,504,779	41,963,410
Adjustment for calculation of diluted earnings per share for options	-	3,946,065
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss)/earnings per share	<u>44,504,779</u>	<u>45,909,475</u>

(c) Information on the classification of options

For the 2010 financial year the following potential ordinary shares were antidilutive as the exercise price of the options was greater than the average market price of the Company's shares during the year and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:

	Number of options
	2010
Options exercisable at 30 cents on or before 16 April 2011	250,000
Options exercisable at 35 cents on or before 23 July 2011	1,500,000
Options exercisable at 35 cents on or before 31 August 2011	4,500,000
Options exercisable at 35 cents on or before 30 November 2012	50,000
	<u>6,300,000</u>

As the Group has made a loss for the year ended 30 June 2011, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. This has resulted in the diluted earnings per share being the same as the basic earnings per share. These options could potentially dilute basic earnings per share in the future.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

27. SHARE-BASED PAYMENTS

(a) Employees and Contractors Option Plan

The Company provides benefits to employees (including directors) and contractors of the Company in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares. The exercise price of the options granted range from 20 cents to 65 cents per option. All options granted have expiry dates ranging from 23 July 2011 to 30 November 2015.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Fair value of options granted

The weighted average fair value of the options granted during the year was 31.9 cents (2010: 10.4 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2011	2010
Weighted average exercise price (cents)	54.6	21.8
Weighted average life of the option (years)	3.17	2.71
Weighted average underlying share price (cents)	66.74	25.69
Expected share price volatility	50%	50%
Risk free interest rate	4.72%	3.49%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

(b) Options issued to suppliers

As part consideration for services associated with the initial public offering of the Company and as part consideration for the acquisition of tenement interests, suppliers were issued with listed options in the Company. A total of 1,850,000 options were issued with an exercise price of 20 cents expiring on 31 August 2011.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Fair value of options granted

The listed options granted are valued at the market closing price on the date that the options are allotted. There were no options issued to suppliers during the current or prior year.

Set out below are summaries of the share-based payment options granted per (a) and (b):

	2011		2010	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	9,025,000	24.5	7,700,000	24.9
Granted	4,600,000	54.6	1,800,000	21.8
Forfeited	-	-	(300,000)	20.0
Exercised	(875,000)	22.9	(175,000)	20.0
Expired	-	-	-	-
Outstanding at year-end	12,750,000	35.5	9,025,000	24.5
Exercisable at year-end	12,750,000	35.5	9,025,000	24.5

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.36 years (2010: 1.68 years), and the exercise prices range from 20 cents to 65 cents.

Notes to the Consolidated Financial Statements continued

30 JUNE 2011

Consolidated

2011	2010
\$	\$

27. SHARE-BASED PAYMENTS (cont'd)

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

Options issued to employees and consultants (shown as share based payment expense in the statement of comprehensive income)

1,467,280	187,505
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28. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Montezuma Mining Company Limited, at 30 June 2011. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

Parent Entity

2011	2010
\$	\$

Current assets	7,131,695	8,653,039
Non-current assets	666,482	626,850
Total assets	7,798,177	9,279,889
Current liabilities	412,031	722,362
Non-current liabilities	-	614,700
Total liabilities	412,031	1,337,062
Contributed equity	7,298,749	5,720,610
Share-based payments reserve	2,133,907	666,627
(Accumulated losses)/retained earnings	(2,046,510)	1,555,590
Total equity	7,386,146	7,942,827
(Loss)/profit for the year	(3,602,100)	5,049,048
Total comprehensive income for the year	(3,602,100)	5,049,048

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 36 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Justin Brown
Managing Director

Perth, 27 September 2011



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 6364 5076 www.rothsay.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MONTEZUMA MINING COMPANY LTD

Report on the financial report

We have audited the accompanying financial report of Montezuma Mining Company Ltd (the Company") which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).



Audit opinion

In our opinion the financial report of Montezuma Mining Company Ltd is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

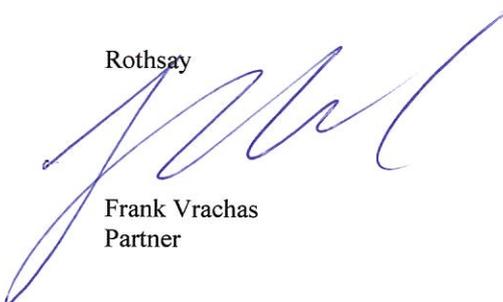
Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2011. 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.

Audit opinion

In our opinion the remuneration report of Montezuma Mining Company Ltd for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Rothsay



Frank Vrachas
Partner

Dated 27 September 2011

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 22 September 2011.

(a) Distribution of equity securities

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

		Ordinary shares	
		Number of holders	Number of shares
1	- 1,000	46	20,650
1,001	- 5,000	179	588,405
5,001	- 10,000	144	1,214,657
10,001	- 100,000	289	9,738,586
100,001	and over	73	55,680,385
		731	67,242,683
The number of equity security holders holding less than a marketable parcel of securities are:		67	48,467

(b) Twenty largest shareholders

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

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	JP Morgan Nominees Australia Ltd <Cash Income A/C>	6,659,596	9.90
2	South Boulder Mines Limited	5,382,500	8.00
3	Alpha Boxer Ltd	4,002,500	5.95
4	Duketon Consolidated Ltd	3,050,000	4.54
5	Alpha Boxer Ltd	2,543,334	3.78
6	Dragon Gas Ltd <No 2 A/C>	2,522,791	3.75
7	Atoc Inc	2,500,000	3.72
8	Avania Nominees Pty Ltd	1,792,567	2.67
9	Ranguta Ltd	1,758,000	2.61
10	Vetter, Anthony John	1,355,000	2.02
11	Mandies Meats Pty Ltd	1,351,796	2.01
12	Kongming Investments Ltd	1,297,018	1.93
13	Aradia Ventures Pty Ltd	1,030,000	1.53
14	Aradia Ventures Pty Ltd <J&A Brown Fam A/C>	1,007,500	1.50
15	Grammer, Dianne Claire	1,000,000	1.49
16	Actdine Pty Ltd <Cunningham S/F A/C>	1,000,000	1.49
17	Dragon Gas Ltd	1,000,000	1.49
18	Sino West Assets Ltd	956,637	1.42
19	Cunningham, Peter Thomas	950,000	1.41
20	O'Meara, Denis William	699,071	1.04
		41,858,310	62.25

ASX Additional Information continued

(c) Substantial shareholders

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

	Number of Shares
JP Morgan Nominees Australia Ltd <Cash Income A/C>	6,659,596
South Boulder Mines Limited	5,382,500
Alpha Boxer Ltd	4,002,500

(d) Voting rights

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

(e) Schedule of interests in mining tenements

Location	Tenement	Percentage held / earning
Butcher Bird Copper	E52/2350	100
Robinson Range	P52/1227	100
Robinson Range	P52/1233	70
Millidie Creek	E52/2510	100
McCarthy Well	E51/1398	100
Mt Padbury	E52/1529	100
Peak Hill Gold	E52/2237	100
Peak Hill Gold	E52/2413	100
Peak Hill Gold	E52/2471	100
Peak Hill Gold	E52/2472	100
Peak Hill Gold	M52/35	100
Peak Hill Gold	M52/474	100
Peak Hill Gold	M52/56	100
Peak Hill Gold	M52/297	100
Peak Hill Gold	P52/1343	100
Peak Hill Gold	P52/1344	100
Peak Hill Gold	P52/1345	100
Peak Hill Gold	P52/1348	100
Peak Hill Gold	P52/1234	100
Peak Hill Gold	P52/1189	100
Peak Hill Gold	P52/1190	100
Peak Hill Gold	P52/1191	100
Peak Hill Gold	P52/1192	100
Peak Hill Gold	P52/1193	100
Peak Hill Gold	M52/801	100