

## **DIRECTORS' & FINANCIAL REPORTS**

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**2008/09**

## AUDITOR'S INDEPENDENCE DECLARATION



Your directors present their report on the consolidated entity, consisting of View Resources Limited and the entities it controlled at the end of, or during, the year ending 30 June 2009.

### DIRECTORS

The names of directors in office at any time during or since the end of the year are:

| NAME OF PERSON       | POSITION               | DATE APPOINTED   | DATE RESIGNED     |
|----------------------|------------------------|------------------|-------------------|
| Mr. Peter Stancliffe | Chairperson            | 3 February 2006  | 9 September 2009  |
| Mr. Tim Gooch        | Managing Director      | 26 May 2006      | 9 September 2009  |
| Mr. Jeff Gresham     | Non-Executive Director | 20 March 2007    | 11 September 2009 |
| Mr. William Oliver   | Non-Executive Director | 23 December 2010 | -                 |
| Mr. Ranko Matic      | Non-Executive Chairman | 23 December 2010 | -                 |
| Mr. Simon Mackinnon  | Non-Executive Director | 7 January 2011   | -                 |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### COMPANY SECRETARY

No person held the position of company secretary at the end of the year.

### PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the group consisted of:

- a) Mineral exploration
- b) Mineral extraction

The following significant change in the nature of the activities of the group occurred during the year:

Andrew Saker and Darren Weaver from Ferrier Hodgson were appointed as Joint and Several Administrators of View Resources Ltd ("View Resources") on Friday, 8 February 2008. Furthermore, Andrew Saker and Darren Weaver were also appointed as Joint and Several Administrators to View Resources subsidiaries namely View Gold Pty Ltd ("View Gold") and View Nickel Pty Ltd ("View Nickel") on Friday, 8 February 2008.

Immediately following the appointment, the administrators took control of the Group's assets including View Resource's assets and continued to carry on the Group's business.

View Gold entered into a binding sale agreement with Navigator (Bronzewing) Pty Ltd ("Navigator") on 1 April 2009 in relation to the sale and purchase of View Gold's Bronzewing assets (including all tenements, infrastructure and associated agreements and environmental liabilities attached to the tenements) for an amount of \$16.0 million ("Purchase Price"). The Purchase Price was comprised of cash of \$9.5 million and the assumption, by Navigator, of the existing environmental liabilities of \$4.2 million and additional environmental bond liabilities imposed by the Department of Mines and Petroleum ("DMP") of \$2.3 million in connection with View Gold's tenements. All completion conditions were satisfied on 30 August 2009 and the completion of the sale occurred on 30 September 2009. Total settlement proceeds in the amount of \$9.5 million were received and \$4.14 million released to View Nickel with respect to the DMP environmental bonds that View Nickel assumed on behalf of View Gold pursuant to the loan agreement.

## **PRINCIPAL ACTIVITIES (CONT)**

Throughout the administration, the Administrators have been in discussions with a number of parties regarding the possible restructure and recapitalisation of the Group including View Resources' major shareholder, IMC.

## **OPERATING RESULTS**

The consolidated loss of the group after providing for income tax amounted to (\$5,659,139) (2008: (\$100,452,964)).

## **DIVIDENDS**

No dividends were paid or declared since the start of the financial year. No dividend has been recommended.

## **REVIEW OF OPERATIONS**

These Financial Statements cover the period from 1 July 2008 to 30 June 2009. The Company had been under voluntary administration from 8<sup>th</sup> February 2008 to the 9<sup>th</sup> February 2011 during which time it had entered into a Deed of Company Arrangement and Reconstruction Deed which provides for existing debts as at the time of appointment of the Administrators to be extinguished and facilitates the Company being recapitalised and reinstated to quotation on the Australian Securities Exchange (ASX). These Financial Statements report results and the financial position that are not representative of the position of the Company following completion of the recapitalisation and should not be used as the basis for any decision about the Company or its prospects.

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

View Gold entered into a binding sale agreement with Navigator (Bronzewing) Pty Ltd ("Navigator") on 1 April 2009 in relation to the sale and purchase of View Gold's Bronzewing assets (including all tenements, infrastructure and associated agreements and environmental liabilities attached to the tenements) for an amount of \$16.0 million ("Purchase Price"). The Purchase Price was comprised of cash of \$9.5 million and the assumption, by Navigator, of the existing environmental liabilities of \$4.2 million and additional environmental bond liabilities imposed by the Department of Mines and Petroleum ("DMP") of \$2.3 million in connection with View Gold's tenements. All completion conditions were satisfied on 30 August 2009 and the completion of the sale occurred on 30 September 2009. Total settlement proceeds in the amount of \$9.5 million were received and \$4.14 million released to View Nickel with respect to the DMP environmental bonds that View Nickel assumed on behalf of View Gold pursuant to the loan agreement.

Throughout the administration, the Administrators have been in discussions with a number of parties regarding the possible restructure and recapitalisation of the Group including View Resources' major shareholder, IMC.

## **FINANCIAL POSITION**

The net assets of the consolidated entity have decreased by \$5,659,139 from (\$37,885,928) net asset deficiency at 30 June 2008 to a net asset deficiency of (\$43,545,067) at 30 June 2009.

The consolidated entity's working capital, being current assets less current liabilities, has decreased from (\$12,093,252) at 30 June 2008 to (\$36,282,179) at 30 June 2009

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

View Gold entered into a binding sale agreement with Navigator (Bronzewing) Pty Ltd ("Navigator") on 1

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT)

April 2009 in relation to the sale and purchase of View Gold's Bronzewing assets (including all tenements, infrastructure and associated agreements and environmental liabilities attached to the tenements) for an amount of \$16.0 million ("Purchase Price"). The Purchase Price was comprised of cash of \$9.5 million and the assumption, by Navigator, of the existing environmental liabilities of \$4.2 million and additional environmental bond liabilities imposed by the Department of Mines and Petroleum ("DMP") of \$2.3 million in connection with View Gold's tenements. All completion conditions were satisfied on 30 August 2009 and the completion of the sale occurred on 30 September 2009. Total settlement proceeds in the amount of \$9.5 million were received and \$4.14 million released to View Nickel with respect to the DMP environmental bonds that View Nickel assumed on behalf of View Gold pursuant to the loan agreement.

Throughout the administration, the Administrators have been in discussions with a number of parties regarding the possible restructure and recapitalisation of the Group including View Resources' major shareholder, IMC.

Following the second adjourned meeting of creditors held on 25 July 2008 whereby creditors accepted a DOCA proposal presented by Austral-Asia Resources and Infrastructural Investments Pty Ltd ("AARII"), View Resources entered into a DOCA on 15 August 2008. As certain conditions under the DOCA had not been satisfied, a third meeting of creditors was held on 12 January 2010 whereby creditors accepted the Varied DOCA proposal presented by AARII. The terms of the this DOCA provided that the effectuation of the View Resources DOCA is subject to the conditions of the View Nickel DOCA being effectuated and fund monies being distributed by 20 December 2010; and under the terms of the View Nickel DOCA, the Deed Administrators must realise View Nickel's 30% interest in the Carnilya Hill Joint Venture by 20 December 2010. The Deed Administrators were not in a position to realise View Nickel's interest in the CHJV and distribute the proceeds by 20 December 2010.

Following a marketing and sale campaign, the Administrators received a Varied DOCA proposal by Brijohn Nominees Pty Ltd (the Syndicate) which was capable of being accepted by creditors.

The major terms of the Syndicate's Varied DOCA Proposal (the DOCA Proposal) are as follows:

1. The Syndicate will pay a total amount of \$900,000 to the Deed Administrators as follows:
  - i. \$675,000 to the Deed Administrators in consideration for View Resources' shareholding in View Nickel, the View Resources loan to View Nickel and the debt owed to View Resources by View Gold, all the subject of View Nickel's charge over View Resources. This amount will be paid to the secured creditor given its existing outstanding debt; and
  - ii. \$225,000 to the Deed Administrators to be distributed to the View Resources' Creditors' Trust in full and final satisfaction of View Resources' unsecured creditor claims;
2. Payment of \$1,225,000 to the VNI Trustees of which \$1,200,000 is to be paid to AARII in consideration of the AARII Debt.
3. The completion of the DOCA Proposal is subject to:
  - a. Prior to 31 January 2011, the ASX not revoking its stance that View Resources does not need to re-comply with chapters 1 & 2 of the ASX Listing Rules;
  - b. Receiving View Resources' creditor approval to the Varied DOCA Proposal;
  - c. Obtaining various shareholder approvals, including but not limited to proposed capital raisings, share consolidations and director appointments;
  - d. Preparation of the View Resources' financial accounts by the Deed Administrators;
  - e. Payment of the secured creditors cash consideration of \$675,000 within five (5) business days of receiving View Resources shareholder approval;
  - f. View Gold to be removed from the View Resources' group structure; and
  - g. The Deed Administrators obtaining varied (or new) section 477A orders.

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT)**

At completion, the DOCA Proposal will terminate as a result of being wholly effectuated, and:

1. View Resources unsecured creditor claims will be extinguished against View Resources and each unsecured creditor will have a claim against the Creditors Trust Fund for the same amount of any claim they would have had against View Resources;
2. View Resources will be released from all creditor claims; and
3. The View Resources Creditors Trust Fund will be distributed in accordance with the terms of the Creditors Trust Deed which applies the same statutory priorities as a liquidation scenario.

On the 9th February 2011 the Varied DOCA as described above was effectuated and the recapitalisation proposal for the company completed. Control of View Resources Limited and View Nickel Pty Ltd was handed over to the new and current directors.

As a result of the above the Company has extinguished all liabilities associated with the previous administration of the Group and has undertaken the following transactions as part of the DOCA effectuation;

- Consolidation of the existing fully paid ordinary shares (Shares) on a one (1) for twenty (20) basis together with the consolidation of its existing options in the same ratio as the existing Shares; and
- Issued 50,000,000 new Shares post consolidation at \$0.001 each to raise \$50,000; and
- Issued 800,000,000 new Shares post consolidation at \$0.005 each to raise \$4,000,000; and
- Issue 170,000,000 new options exercisable at \$0.01 each and expiring 31 March 2014.

In raising this capital, the Company has then made a payment of \$2,125,000 to the Creditor's Trust to effectuate the DOCA with the Administrators.

Subject to the satisfaction of all outstanding legal and ASX requirements the company is expected to relist on the ASX in due course.

## **LIKELY DEVELOPMENTS**

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments in the operations of the Company and the expected results of those operations in future financial years would be speculative and likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been included in this report.

## **ENVIRONMENTAL REGULATIONS**

The consolidated entity's operations are subject to environmental regulations in respect of its exploration and development activities. The Directors are not aware of any breaches of any regulations in the period covered by this report.

## INFORMATION ON DIRECTORS

|                                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Peter W Stancliffe</b>                   | - | Chairman (Non-executive) (former)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Qualifications                              | - | BE (Civil), FAICD, AFAIM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Experience                                  | - | Appointed Chairman February 2006. Board member since February 2006, 30 years experience in general management in Extractive Industries and Building Materials, Petroleum, Steel, Heavy Engineering and Energy and Telecommunication Cables, in Australia and internationally. In 2001 he retired from the position of Chief Executive Officer of Pirelli Cables Australia Limited. Previously, he was the Managing Director of Australian National Industries, a \$2.5 billion Australian public company. He spent 26 years with Pioneer International Limited including 15 years in senior general management in Europe. <b>Mr. Stancliffe resigned on 3 September 2009.</b>                                                                    |
| Special responsibilities                    | - | Chairman of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Interest in Shares and Options              | - | 89,369 ordinary shares at date of resignation.<br>2,000,000 options over ordinary shares at date of resignation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Directorships held in other listed entities | - | Unknown                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Timothy J Gooch</b>                      | - | Managing Director (Executive) (former)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Qualifications                              | - | BSc Hons, Mining Engineering MAusIMM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience                                  | - | Board member since May 2006, Mr Gooch is a qualified mining engineer with over 25 years experience in the mining industry, having previously worked in gold, nickel, diamonds, and tin both here in Australia and overseas. Companies worked for include BGC Contracting, Jubilee Mines, Ashanti Goldfields and Australian Resources. Mr Gooch has previous experience in the region as General Manager at Jubilee's Cosmos Nickel Mine and the Mt Mc Clure Gold Mine for Australian Resources. <b>Mr Gooch resigned on 9 September 2009.</b>                                                                                                                                                                                                    |
| Special responsibilities                    | - | Member of Remuneration Committee.<br>Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Interest in Shares and Options              | - | 1,419,369 ordinary shares at date of resignation.<br>1,000,000 options over ordinary shares at date of resignation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Directorships held in other listed entities | - | Unknown                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Jeff Gresham</b>                         | - | Director (Non-executive) (former)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Qualifications                              | - | Bsc-Hons, MAusIMM, MAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Experience                                  | - | Jeff has over 39 years experience in exploration, mining and the corporate functions both in Australia and overseas. During a career spanning 19 years with WMC he held a number of senior corporate and technical positions, most notably Chief Geologist of the Kambalda Nickel Operations between 1981 and 1985 and Executive Vice President of Exploration for WMC's Canadian subsidiary Westminster Canada Ltd between 1988 and 1993.<br><br>From 1993 to 1997 he was Managing Director of Wiluna Mines Ltd and General Manager Exploration at Homestake Gold of Australia Ltd between 1998 and 2001. He was Managing Director of Titan Resources Ltd from June 2004 until September 2006. <b>Mr Gresham resigned on 11 September 2009.</b> |
| Special responsibilities                    | - | Chairman of Remuneration Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Interest in Shares and Options              | - | 70,000 Ordinary Shares at date of resignation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Directorships held in other listed entities | - | Unknown.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## INFORMATION ON DIRECTORS (CONT)

|                                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>William Oliver</b>                       | - | Director (Non-executive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Qualifications                              | - | BSc (Hons), GDipAppFin (FINSIA), MAIG, MAusIMM.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience                                  |   | Mr Oliver was appointed to the position of director on 23 December 2010. Mr Oliver has 12 years' experience in the international resources industry working for both major and junior companies. He holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA. Mr Oliver has led large scale resource definition projects for Rio Tinto and previously worked in near mine exploration/resource definition roles for New Hampton Goldfields and Harmony Gold. He managed exploration in Portugal for Iberian Resources Limited including target generation and grassroots exploration across a range of commodities. More recent roles include Exploration Manager for Bellamel Mining and BC Iron and he is currently Managing Director of Signature Metals (ASX:SBL). He has wide-ranging exploration experience including expertise in near-mine exploration/resource extension and resource definition as well as significant experience in the technical and economic evaluation of resources projects.                                                                                                                         |
| Special responsibilities                    | - | Nil.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Interest in Shares and Options              | - | 4,000,000 post February 2011 consolidation shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Directorships held in other listed entities | - | Managing Director of Signature Metals Ltd (1 October 2008) .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Ranko Matic</b>                          | - | Chairman (Non-executive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Qualifications                              | - | B.Bus, CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience                                  |   | Mr Matic was appointed to the position of director on 23 December 2010. Mr Matic is a Chartered Accountant with over 20 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. Mr Matic is a Director of a Chartered Accounting firm and a Corporate Advisory company based in West Perth and has specialist expertise and exposure in the areas of audit, corporate services, due diligence, mergers & acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to over 35 initial public offerings on the ASX in the last 8 years. Mr Matic has also acted as CFO and company secretary for companies in the public listed and private sectors and currently holds the positions of non-executive chairman and company secretary for Messina Resources Ltd, non-executive director and company secretary for East Energy Resources Limited and company secretary for Accent Resources NL, Golden State Resources Limited and White Canyon Uranium Limited. |
| Special responsibilities                    | - | Nil.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Interest in Shares and Options              | - | 3,000,000 post February 2011 consolidation shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Directorships held in other listed entities | - | Non executive director of East Energy Resources Ltd (appointed 13 July. 2007)<br>Non executive chairman of Messina Resources Ltd (appointed 2 February 2011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Simon Mackinnon</b>                      | - | Director (Non-executive)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Qualifications                              | - | B.Com, CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience                                  |   | Mr Mackinnon was appointed to the position of director on 7 January 2011. Mr Mackinnon is a qualified Chartered Accountant who has worked in various banking and corporate roles across Australia and Europe.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## INFORMATION ON DIRECTORS (CONT)

After graduating from University of Western Australia with a Bachelor of Commerce (Finance and Accounting) he worked with KPMG Corporate Finance before moving to London where he gained extensive M&A and Corporate Finance experience in the UK market. A position as Director - Business Development and Strategy with a FTSE listed mining company provided significant corporate, strategic and operational exposure. On returning to Australia, Mr MacKinnon has developed strong trade relationships with across Australia, China and India in the servicing of the Australian resource sector.

|                                             |   |                                                     |
|---------------------------------------------|---|-----------------------------------------------------|
| Special responsibilities                    | - | Nil.                                                |
| Interest in Shares and Options              | - | 10,000,000 post February 2011 consolidation shares. |
| Directorships held in other listed entities | - | Nil                                                 |

## REMUNERATION REPORT

This report details the nature and amount of the remuneration for each key management person of View Resources Limited and for the executives receiving the highest remuneration for 30 June 2009. From the period 8<sup>th</sup> February 2008 to 9<sup>th</sup> February 2011 the group has been in administration. The current directors were not the directors during any part of the financial year end for the 30 June 2009. Most of the information for this report has been excluded due to the required information not being available as all the information and knowledge resided with the previous directors and the accounting records as provided are not complete enough to extract details of remuneration for the year ended 30 June 2009. The information provided is based on prior years principles and policies in effect for the company at the time.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

The information provided under headings A-D includes remuneration disclosures that are required under accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

### A Principles used to determine the nature and amount of remuneration (audited)

The objectives of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- performance linkage / alignment of executive compensation;
- transparency.

With reference to external remuneration reports, the Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in share price and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives.

## **REMUNERATION REPORT (continued)**

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contributing to shareholder growth;
- provides a clear structure for earning rewards;
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

### **A Principles used to determine the nature and amount of remuneration (audited) (continued)**

#### **Non-executive directors**

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$300,000 per annum and was approved by shareholders at the Annual General Meeting on 21 November 2006.

#### **Executive pay**

The executive pay and reward framework has four components:

- base pay and benefits
- short-term performance incentives
- long-term incentives, and
- other remuneration such as superannuation.

#### **Base pay**

Structured as a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. An independent remuneration report is utilised to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executives' contracts.

#### **Benefits**

Senior executives receive benefits including in some cases motor vehicles, parking and mobile phones.

#### **Retirement Benefits**

Retirement benefits are delivered in accordance with the current superannuation legislation (being 9%). This amount is paid to the employees' nominated superannuation funds.

#### **Short-term incentives**

If the Group achieves a pre-determined profit target set by the remuneration committee as well as other pre-determined targets, a short-term incentive (STI) pool is available to executives during the annual review. Cash incentives (bonuses) are payable on 30 September each year. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executive out-performance.

Each executive has a target STI opportunity depending on the accountabilities of the role and impact on the organisation or business unit performance. The maximum target bonus opportunity is approximately

## REMUNERATION REPORT (continued)

40% of base pay.

Each year, the remuneration committee considers the appropriate targets and key performance indicators (KPIs) to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

For the year ended 30 June 2007, the KPIs linked to STI plans were based on group, individual business and personal objectives. The KPIs required performance in plant recommissioning, reducing operating costs and achieving specific targets in relation to return on assets and shareholder value added (SVA), as well as other key, strategic non-financial measures linked to drivers of performance in future reporting periods. These KPIs are generic across the executive team.

### A Principles used to determine the nature and amount of remuneration (audited) (continued)

The remuneration committee is responsible for assessing whether the KPIs are met. To help make this assessment the committee receives detailed reports on performance from management and external remuneration consultants.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the remuneration committee.

The STI target annual payment is reviewed annually.

The following summarises the performance of the Company over the last 5 financial years:

|                                         | 2005        | 2006        | 2007         | 2008          | 2009        |
|-----------------------------------------|-------------|-------------|--------------|---------------|-------------|
| Revenue (\$)                            | 18,369,474  | 12,449,657  | 1,788,299    | 7,109,642     | 272,771     |
| Net profit/(loss) after income tax (\$) | (9,143,997) | (7,090,488) | (20,864,594) | (100,452,964) | (5,659,139) |
| Share price at year end (cents/share)   | 16.0        | 14.0        | 44.0         | Suspended     | Suspended   |
| Dividends paid (cents/share)            | -           | -           | -            | -             | -           |

### Long-term incentives

Executives are issued with incentive options on commencement. The number, strike price, expiry date and vesting periods of these options are decided by the Board and are based on the executives position and experience, as well as the need to attract suitably qualified persons to the Company.

### B Details of remuneration (audited)

#### Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of View Resources Limited and the View Resources Group are set out in the following tables.

The key management personnel of View Resources Limited includes the directors as per pages 6 to 8 above.

## **REMUNERATION REPORT (continued)**

### **B Details of remuneration (audited) (continued)**

As the current directors were not the directors at the financial year end for the 30 June 2009, it was determined that as some of the required information was unavailable due to the information and knowledge residing with the previous directors as well as the accounting records may have incomplete details, therefore the disclosure for 30 June 2009 has not been included as it can not be quantified or categorised.

### **C Service agreements (audited)**

As the current directors were not the directors at the financial year end for the 30 June 2009, it was determined that as some of the required information was unavailable due to the information and knowledge residing with the previous directors as well as the accounting records may have incomplete details, therefore the disclosure for 30 June 2009 has not been included as it can not be quantified or categorised.

### **D Share-based compensation (audited)**

#### **Options**

Options are issued to executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the executives to increase goal congruence between executives and shareholders. Options are granted for no consideration.

There were no options granted during the financial year affecting remuneration in this or future reporting periods.

Options granted carry no dividend or voting rights.

All directors who held options for the year ending 30 June 2009 are no longer directors of the company. As these directors have left the company and their vesting conditions were not met there is no additional disclosure of options in regards to remuneration from prior periods.

## REMUNERATION REPORT (continued)

### D Share-based compensation (audited) (continued)

| Name                                                            | Number of options granted during the year |         | Number of options vested during the year |         |
|-----------------------------------------------------------------|-------------------------------------------|---------|------------------------------------------|---------|
|                                                                 | 2009                                      | 2008    | 2009                                     | 2008    |
| <b>Directors of View Resources Limited</b>                      |                                           |         |                                          |         |
| P W Stancliffe                                                  | -                                         | -       | -                                        | -       |
| P N Landau                                                      | -                                         | -       | -                                        | -       |
| D P Tucker                                                      | -                                         | -       | -                                        | -       |
| G J de Nys                                                      | -                                         | -       | -                                        | -       |
| T J Gooch                                                       | -                                         | -       | -                                        | -       |
| J Gresham                                                       | -                                         | -       | -                                        | -       |
| J S Baker                                                       | -                                         | -       | -                                        | -       |
| M Ralston                                                       | -                                         | -       | -                                        | -       |
| <b>Other key management personnel of the Group</b>              |                                           |         |                                          |         |
| M J Ralston                                                     | -                                         | -       | -                                        | -       |
| T V Cook                                                        | -                                         | 750,000 | -                                        | 750,000 |
| G J Chapman                                                     | -                                         | -       | -                                        | -       |
| T R Peachey                                                     | -                                         | 750,000 | -                                        | 750,000 |
| G J Mills                                                       | -                                         | -       | -                                        | -       |
| W D Gaiter                                                      | -                                         | -       | -                                        | -       |
| R J Colson                                                      | -                                         | -       | -                                        | -       |
| T S V Reay                                                      | -                                         | -       | -                                        | -       |
| B Isle                                                          | -                                         | 200,000 | -                                        | 200,000 |
| G Heys                                                          | -                                         | 200,000 | -                                        | 200,000 |
| D Brinsden                                                      | -                                         | 200,000 | -                                        | 200,000 |
| <b>Other key management personnel of View Resources Limited</b> |                                           |         |                                          |         |
| A S Lund                                                        | -                                         | -       | -                                        | -       |

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

### MEETING OF DIRECTORS

There were no meetings of the Company's board of directors held during the year ended 30 June 2009 as it was under administration for the whole period.

### NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

There were no non-audit services provided for the year ending 30 June 2009.

The board of directors is 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 in Note 22 of the financial statements, 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

- integrity 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*.

#### **INSURANCE OF OFFICERS**

For the year ended 30 June 2009, all directors and the specified executives of the consolidated entity were insured by the Company. The insurance covers legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

#### **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 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.

#### **AUDITORS' INDEPENDENCE DECLARATION**

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 56.

#### **AUDITOR**

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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



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Ranko Matic  
Non-Executive Chairman

Dated this 17 day of May 2011

## Income Statements

### for the year ended 30 June 2009

|                                                                          | Notes | Consolidated |               | Parent entity |              |
|--------------------------------------------------------------------------|-------|--------------|---------------|---------------|--------------|
|                                                                          |       | 2009         | 2008          | 2009          | 2008         |
|                                                                          |       | \$           | \$            | \$            | \$           |
| Revenue from continuing operations                                       | 3     | 272,771      | 7,109,642     | 213,578       | 370,283      |
| Other Income                                                             | 3     | 1,021,101    | -             | 1,010,238     | -            |
| Mining expense                                                           |       | (13,522)     | (1,355)       | -             | -            |
| Legal and professional expense                                           |       | (726,875)    | (340,334)     | (487,262)     | -            |
| Depreciation and amortisation expense                                    | 4     | -            | (73,585)      | -             | 82,347       |
| Employee expenses                                                        |       | (57,313)     | (1,411,242)   | (57,313)      | (1,411,242)  |
| Finance costs                                                            | 4     | (3,256,178)  | (1,420,789)   | -             | (24,486)     |
| Impairment expense                                                       | 4     | -            | (12,276,551)  | -             | (8,694,144)  |
| Write-off of loan to View Gold Pty Ltd                                   |       | -            | -             | (928,721)     | (73,686,793) |
| Consultancy expenses                                                     |       | -            | (430,234)     | -             | (430,234)    |
| Hire expense                                                             |       | -            | (23,305)      | -             | -            |
| Administrators expense                                                   |       | (522,992)    | (99,214)      | (263,805)     | -            |
| Insurance expense                                                        |       | (13,983)     | (21,250)      | (13,983)      | -            |
| Net other expenses                                                       |       | (287,003)    | (4,676,006)   | (74,500)      | (3,676,117)  |
| Share of net losses of associates                                        |       | (511,708)    | (942,161)     | -             | -            |
| Loss before income tax                                                   |       | (4,095,702)  | (14,606,384)  | (601,768)     | (87,470,387) |
| Income tax expense                                                       | 5     | -            | -             | -             | -            |
| Loss from continuing operations                                          |       | (4,095,702)  | (14,606,384)  | (601,768)     | (87,470,387) |
| Loss from discontinued operations                                        | 6     | (1,563,437)  | (85,846,580)  | -             | -            |
| Loss for the year attributable to members of View Resources Limited      |       | (5,659,139)  | (100,452,964) | (601,768)     | (87,470,387) |
| Earnings per share for loss from continuing and discontinued operations: |       |              |               |               |              |
| Basic earnings per share                                                 | 28    | Cents (1.29) | Cents (24.51) |               |              |
| Diluted earnings per share                                               | 28    | N/A          | N/A           |               |              |
| Earnings per share for loss from Continuing operations                   |       |              |               |               |              |
| Basic earnings per share                                                 | 28    | Cents (0.93) | Cents (3.56)  |               |              |
| Diluted earnings per share                                               | 28    | N/A          | N/A           |               |              |
| Discontinued operations:                                                 |       |              |               |               |              |
| Basic earnings per share                                                 | 28    | (0.36)       | (20.95)       |               |              |
| Diluted earnings per share                                               | 28    | N/A          | N/A           |               |              |

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

## Balance Sheets as at 30 June 2009

|                                                   | Notes | Consolidated        |                     | Parent entity      |                    |
|---------------------------------------------------|-------|---------------------|---------------------|--------------------|--------------------|
|                                                   |       | 2009<br>\$          | 2008<br>\$          | 2009<br>\$         | 2008<br>\$         |
| <b>Current assets</b>                             |       |                     |                     |                    |                    |
| Cash and cash equivalents                         | 7     | 3,242,813           | 3,663,274           | 2,752,170          | 3,353,939          |
| Other financial assets                            | 8     | 4,170,800           | 4,170,800           | -                  | -                  |
| Non-current assets held for sale                  | 9     | 9,548,601           | 9,548,601           | -                  | -                  |
| <b>Total current assets</b>                       |       | <b>16,962,214</b>   | <b>17,382,675</b>   | <b>2,752,170</b>   | <b>3,353,939</b>   |
| <b>Non-current assets</b>                         |       |                     |                     |                    |                    |
| Other receivables                                 | 10    | 36,492              | 36,492              | -                  | -                  |
| Other financial assets                            | 11    | -                   | -                   | 1                  | 1                  |
| Property, plant & equipment                       | 12    | 20,000              | 20,000              | 20,000             | 20,000             |
| Exploration, evaluation & development expenditure | 13    | -                   | -                   | -                  | -                  |
| Investment accounted for using the equity method  | 14    | 8,906,605           | 8,781,303           | -                  | -                  |
| <b>Total non-current assets</b>                   |       | <b>8,963,097</b>    | <b>8,837,795</b>    | <b>20,001</b>      | <b>20,001</b>      |
| <b>Total assets</b>                               |       | <b>25,925,311</b>   | <b>26,220,470</b>   | <b>2,772,171</b>   | <b>3,373,940</b>   |
| <b>Current liabilities</b>                        |       |                     |                     |                    |                    |
| Trade and other payables                          | 15    | 29,475,926          | 29,475,927          | 3,651,870          | 3,651,871          |
| Borrowings                                        | 16    | 23,768,467          | -                   | -                  | -                  |
| <b>Total current liabilities</b>                  |       | <b>53,244,393</b>   | <b>29,475,927</b>   | <b>3,651,870</b>   | <b>3,651,871</b>   |
| <b>Non-current liabilities</b>                    |       |                     |                     |                    |                    |
| Borrowings                                        | 16    | 10,860,019          | 29,264,505          | 4,672,293          | 4,672,293          |
| Provisions                                        | 17    | 5,365,966           | 5,365,966           | -                  | -                  |
| <b>Total non-current liabilities</b>              |       | <b>16,225,985</b>   | <b>34,630,471</b>   | <b>4,672,293</b>   | <b>4,672,293</b>   |
| <b>Total liabilities</b>                          |       | <b>69,470,378</b>   | <b>64,106,398</b>   | <b>8,324,163</b>   | <b>8,324,164</b>   |
| <b>Net assets</b>                                 |       | <b>(43,545,067)</b> | <b>(37,885,928)</b> | <b>(5,551,992)</b> | <b>(4,950,224)</b> |
| <b>Equity</b>                                     |       |                     |                     |                    |                    |
| Contributed equity                                | 18    | 138,078,582         | 138,078,582         | 138,078,582        | 138,078,582        |
| Reserves                                          | 19    | 3,312,280           | 3,312,280           | 3,312,280          | 3,312,280          |
| Accumulated losses                                |       | (184,935,929)       | (179,276,790)       | (146,942,854)      | (146,341,086)      |
| <b>Total equity</b>                               |       | <b>(43,545,067)</b> | <b>(37,885,928)</b> | <b>(5,551,992)</b> | <b>(4,950,224)</b> |

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

**STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 30 JUNE 2009**



|                                                           | Consolidated          |                      |                   |                     | Parent                |                      |                   |                    |
|-----------------------------------------------------------|-----------------------|----------------------|-------------------|---------------------|-----------------------|----------------------|-------------------|--------------------|
|                                                           | Contributed<br>Equity | Retained<br>Earnings | Other<br>Reserves | Total               | Contributed<br>Equity | Retained<br>Earnings | Other<br>Reserves | Total              |
| <b>Balance at 1 July 2007</b>                             | 97,624,944            | (78,823,526)         | 10,263,209        | 29,064,627          | 97,624,946            | (58,870,699)         | 3,341,590         | 42,095,837         |
| Loss for the year                                         | -                     | (100,452,964)        | -                 | (100,452,964)       | -                     | (87,470,387)         | -                 | (87,470,387)       |
| Total income/expense recognised for the year              | -                     | (100,452,964)        | -                 | (100,452,964)       | -                     | (87,470,387)         | -                 | (87,470,387)       |
| Changes in the fair value of cash flow hedges, net of tax | -                     | -                    | (6,921,619)       | (6,921,619)         | -                     | -                    | -                 | -                  |
| Net income recognised directly in equity                  | -                     | -                    | (6,921,619)       | (6,921,619)         | -                     | -                    | -                 | -                  |
| Transaction with owners in their capacity as owners       | 38,097,308            | -                    | -                 | 38,097,308          | 38,097,306            | -                    | -                 | 38,097,306         |
| Exercise of options                                       | 1,900,048             | -                    | -                 | 1,900,048           | 1,900,048             | -                    | -                 | 1,900,048          |
| Exercise of executive option                              | -                     | -                    | -                 | -                   | -                     | -                    | -                 | -                  |
| Equity settled payment for services rendered              | 456,282               | -                    | -                 | 456,282             | 456,282               | -                    | -                 | 456,282            |
| Recapitalisation                                          | -                     | -                    | (29,310)          | (29,310)            | -                     | -                    | (29,310)          | (29,310)           |
| <b>Balance at 30 June 2008</b>                            | <b>138,078,582</b>    | <b>(179,276,790)</b> | <b>3,312,280</b>  | <b>(37,885,928)</b> | <b>138,078,582</b>    | <b>(146,341,086)</b> | <b>3,312,280</b>  | <b>(4,950,224)</b> |
| <b>Balance at 1 July 2008</b>                             | 138,078,582           | (179,276,790)        | 3,312,280         | (37,885,928)        | 138,078,582           | (146,341,086)        | 3,312,280         | (4,950,224)        |
| Loss for the year                                         | -                     | (5,659,139)          | -                 | (5,659,139)         | -                     | (601,768)            | -                 | (601,768)          |
| Total income/expense recognised for the year              | -                     | (5,659,139)          | -                 | (5,659,139)         | -                     | (601,768)            | -                 | (601,768)          |
| Net income recognised directly in equity                  | -                     | -                    | -                 | -                   | -                     | -                    | -                 | -                  |
| Transaction with owners in their capacity as owners       | -                     | -                    | -                 | -                   | -                     | -                    | -                 | -                  |
| Exercise of options                                       | -                     | -                    | -                 | -                   | -                     | -                    | -                 | -                  |
| Equity settled payment for services rendered              | -                     | -                    | -                 | -                   | -                     | -                    | -                 | -                  |
| <b>Balance at 30 June 2009</b>                            | <b>138,078,582</b>    | <b>(184,935,929)</b> | <b>3,312,280</b>  | <b>(43,545,067)</b> | <b>138,078,582</b>    | <b>(146,942,854)</b> | <b>3,312,280</b>  | <b>(5,551,992)</b> |

## Cash Flow Statement for the year ended 30 June 2009

|                                                                           | Notes | Consolidated |              | Parent entity |              |
|---------------------------------------------------------------------------|-------|--------------|--------------|---------------|--------------|
|                                                                           |       | 2009         | 2008         | 2009          | 2008         |
|                                                                           |       | \$           | \$           | \$            | \$           |
| <b>Cash flows from operating activities</b>                               |       |              |              |               |              |
| Receipts from customers (inclusive of goods and services tax)             |       | 858,351      | 50,369,403   | 111,257       | 829,698      |
| Payments to suppliers and employees (inclusive of goods and services tax) |       | (2,619,142)  | (68,727,259) | (815,344)     | (778,960)    |
|                                                                           |       | (1,760,791)  | (18,357,856) | (704,087)     | 50,738       |
| Interest received                                                         |       | 118,371      | 479,174      | 102,321       | 363,623      |
| Interest paid                                                             |       | -            | (2,084,790)  | -             | (24,486)     |
| Payments for drilling, exploration and development activities             |       | -            | (2,090,283)  | -             | -            |
| <b>Net cash inflow (outflow) from operating activities</b>                | 29    | (1,642,420)  | (22,053,755) | (601,766)     | 389,875      |
| <b>Cash flows from investing activities</b>                               |       |              |              |               |              |
| Proceeds from sale of property, plant and equipment                       |       | -            | -            | -             | 89,335       |
| Payments for purchase of property, plant and equipment                    |       | -            | (16,740,891) | -             | -            |
| Proceeds from associates                                                  |       | 6,577,586    | -            | -             | -            |
| Contributions to associates                                               |       | (7,214,597)  | -            | -             | -            |
| Loans (to)/from related parties                                           |       | -            | (7,645,364)  | -             | (31,518,398) |
| <b>Net cash (outflow) from investing activities</b>                       |       | (637,011)    | (24,386,255) | -             | (31,429,063) |
| <b>Cash flows from financing activities</b>                               |       |              |              |               |              |
| Net proceeds from issue of shares                                         |       | -            | 42,500,046   | -             | 40,424,325   |
| Cost of capital raising                                                   |       | (400,000)    | (2,502,692)  | -             | -            |
| Proceeds from borrowings                                                  |       | 2,258,969    | 13,009,410   | -             | -            |
| Repayment of borrowings                                                   |       | -            | (6,000,000)  | -             | (8,537,974)  |
| <b>Net cash inflow from financing activities</b>                          |       | 1,858,969    | 47,006,764   | -             | 31,886,351   |
| <b>Net (decrease) / increase in cash held</b>                             |       | (420,462)    | 566,754      | (601,766)     | 847,163      |
| Cash at the beginning of the financial year                               |       | 3,663,275    | 3,096,520    | 3,353,936     | 2,506,776    |
| <b>Cash at the end of the financial year</b>                              | 7     | 3,242,813    | 3,663,274    | 2,752,170     | 3,353,939    |

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



# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated and subject to the limitations noted below. The financial report includes separate financial statements for View Resources Limited as an individual entity and the consolidated entity consisting of View Resources Limited and its subsidiaries.

#### Limitations on Preparation

Andrew Saker and Darren Weaver from Ferrier Hodgson were appointed as Joint and Several Administrators of View Resources Ltd ("View Resources") on Friday, 8 February 2008. Furthermore, Andrew Saker and Darren Weaver were also appointed as Joint and Several Administrators to View Resources subsidiaries namely View Gold Pty Ltd ("View Gold") and View Nickel Pty Ltd ("View Nickel") on Friday, 8 February 2008.

Immediately following the appointment, the administrators took control of the Group's assets including View Resource's assets and continued to carry on the Group's business.

The current Company Directors were not Directors as at the Reporting Date, nor were they parties involved with the Company. Every reasonable effort has been made by the Directors to ascertain the true position of the Group as at 30 June 2009. However, there may be information that the current Directors have not been able to obtain, the impact of which may or may not be material on the accounts.

#### Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because under the DOCA effectuated on the 9th February 2011 the Company has extinguished all liabilities associated with the previous administration of the Company and has undertaken the following transactions;

- Consolidation of the existing fully paid ordinary shares (Shares) on a one (1) for twenty (20) basis together with the consolidation of its existing options in the same ratio as the existing Shares; and
- Issued 50,000,000 new Shares post consolidation at \$0.001 each to raise \$50,000; and
- Issued 800,000,000 new Shares post consolidation at \$0.005 each to raise \$4,000,000; and
- Issue 170,000,000 new options exercisable at \$0.01 each and expiring 31 March 2014

In raising this capital, the Company has then made a payment of \$2,125,000 to the Creditor's Trust to effectuate the DOCA with the Administrators, thereby allowing them to resign as Administrators of the Company and allowing the Company to relist on the ASX.

Upon satisfaction of all conditions associated with the reinstatement of the shares on the ASX, the Company's securities will be reinstated on the ASX.

Accordingly the accompanying financial statements have been prepared on a going concern basis.

#### a) Basis of preparation

Due to the limitation on preparation as noted above this general purpose financial report could not be prepared in accordance with the full requirements of Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of significant accounting policies (Continued)

#### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of View Resources Limited comply with International Financial Reporting Standards (IFRS).

#### *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.

#### *Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS 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. There were no critical estimates used in the preparation of the accounts.

#### *Key estimates*

##### *Impairment*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Property, plant and equipment was assessed for impairment using the net realisable value test. This is reflected in Note 12 – Property, Plant and Equipment.

#### *Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

### b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by View Resources Limited ("Company" or "parent entity") as at 30 June 2009 and the results of all controlled entities for the year then ended. View Resources Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

## Notes to the Financial Statements

### 30 June 2009

#### 1. Summary of significant accounting policies (Continued)

##### *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income, whilst in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### **c) Segment reporting**

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

##### **d) Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.



# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of significant accounting policies (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

View Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 12 August 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

#### e) Inventories

##### *Warehouse inventory*

Costs are assigned on the basis of weighted average costs.

##### *Mining Stocks*

Mining stocks are valued at the lower of cost and net realisable value. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities. The net realisable value is calculated by multiplying the recoverable contained gold by the lowest hedge price and then subtracting the costs of processing the stock to a finished product.

#### f) Foreign currency translation

##### *Transactions*

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year.

#### g) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition.

Gold debtors are recognised at the current spot rate of gold.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

#### h) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 24). 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 the income statement 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.

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of significant accounting policies (continued)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

#### i) **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

#### • **Depreciation of property, plant and equipment**

The Depreciation amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful lives are as follows:

- Computer equipment      3-5 years
- Plant and equipment      3-5 years

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

## Notes to the Financial Statements

### 30 June 2009

#### 1. Summary of significant accounting policies (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

##### j) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as:

- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedge items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Trading derivatives are classified as current assets. The fair value of all derivatives are determined with reference to publicly disclosed gold curve information. The value attached to the derivatives coincides with the maturity dates of the derivatives and this value is then discounted back using the base rate of interest as published by the Reserve Bank.

##### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

##### k) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current mid price (half way between current bid and offer prices).

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of significant accounting policies (continued)

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

#### l) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs

#### m) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

#### n) Trade creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceed (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities which are not an incremental cost relating to the actual draw-down of the facility, are expensed to the income statement.

Borrowings and other financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities acquired, is recognised in other income or other expense.

#### o) Exploration and evaluation expenditure

Exploration and evaluation expenditures are written off as incurred, except when such costs are expected to be recouped through successful development and exploitation, or sale, of an area of interest. In addition, exploration assets recognised on acquisition of an entity are carried forward provided that exploration and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

## Notes to the Financial Statements

### 30 June 2009

#### 1. Summary of significant accounting policies (continued)

The expenditure carried forward when recovery is expected represents an accumulation of direct net exploration and evaluation costs incurred by or on behalf of the Group and applicable indirect costs, in relation to separate areas of interest for which rights of tenure are current.

The successful commercial exploitation of all exploration and evaluation expenditure is dependent upon the Company raising adequate debt and equity funding, which is dependent upon continued investor support.

If it is established subsequently that economically recoverable reserves exist in a particular area of interest, resulting in the decision to develop a commercial mining operation, then in that year the accumulated expenditure attributable to that area, to the extent that it does not exceed the recoverable amount for the area concerned, will be transferred to mine development. As such it will be subsequently amortised against production from that area. Any excess of accumulated expenditure over recoverable amounts will be written off to the statement of financial performance.

The ultimate recoverability of all exploration, evaluation and development expenditure is dependent upon the successful commercial exploitation of the economic reserves at Bronzewing.

##### p) Mine properties and mine development

These assets represent the capital cost incurred on areas of interest for which it has been established, to the satisfaction of the directors, that economically recoverable resources exist.

Costs accumulated in respect of each area of interest represent direct and applicable indirect expenditure incurred by or on behalf of the relevant entity. Indirect expenditure principally consists of charges for depreciation of equipment used in development activities. The costs of successful exploration and evaluation and access and capital development are classified as mine development.

Capital development on underground mines includes expenditure on shaft sinking, declines, development and access drives and ventilation shafts. Amortisation of these costs is provided separately for each mineral resource or mine from the commencement of commercial production as follows:

Mine development is calculated on a units-of-production basis over the estimated recoverable resources. In order to calculate the amortisation, the total costs of development, including net cost incurred to date and estimated future capital development costs are totalled and divided by the total resources. Annual depletion is calculated based on the units of production during the period multiplied by the per unit cost.

##### q) Restoration, rehabilitation and environmental expenditure

The group has obligations to restore certain sites it occupies on cessation of operations. Under AASB 137 Provisions, Contingent Liabilities and Contingent assets, the group is required to recognise a provision for the present value of restoring the site. This is done by discounting the expected expenditure on rehabilitation at the end of mine life. The unwind of this discount is expensed to the income statement over the mine life.

##### r) Borrowing costs

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

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

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of Significant Accounting Policies (continued)

#### s) Cash and cash equivalents

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### t) Revenue

Revenue from the sale of gold is recorded at its fair value of gold price at the time of sale. The Group records the sale once the risks and rewards of gold ownership has been transferred.

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

#### u) Employee benefits

##### (i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

##### (ii) *Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

##### (iii) *Share based payments*

The Company provides benefits to employees (including directors) of the Company in the form of rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes 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 awards 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 the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. 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, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of Significant Accounting Policies (continued)

#### v) Goods and services tax (GST)

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

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

#### w) Earnings per share

##### (i) *Basic earnings per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members 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.

### Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### New accounting standards and interpretations

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of Significant Accounting Policies (continued)

- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

# Notes to the Financial Statements

## 30 June 2009

### 1. Summary of Significant Accounting Policies (continued)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The 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; and
- reclassifying financial assets 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.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

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 International Financial Reporting Standards 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. These amendments are not expected to impact the Company.

View Resources Limited and its subsidiaries do not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.



# Notes to the Financial Statements

## 30 June 2009

### 2. Segment information

#### Primary reporting format – business segments

The consolidated entity operates within two reportable business segments, being mineral exploration and extraction, and discontinued operations.

| 2009                                                                                                     | Exploration<br>activities<br>\$ | Total continuing<br>operations<br>\$ | Discontinuing<br>operation<br>Mining<br>operations <sup>(i)</sup><br>\$ | Consolidated<br>\$ |
|----------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------|
| Sales to external customers                                                                              | -                               | -                                    | 439,230                                                                 | 439,230            |
| Other revenue                                                                                            | 272,771                         | 272,771                              | 264,721                                                                 | 537,492            |
| Total segment revenue                                                                                    | 272,771                         | 272,771                              | 703,951                                                                 | 976,722            |
| Segment result before<br>income tax                                                                      | (4,095,702)                     | (4,095,702)                          | (1,563,437)                                                             | (5,659,139)        |
| Loss before income tax                                                                                   |                                 |                                      |                                                                         | (5,659,139)        |
| Segment assets                                                                                           | 16,817,701                      | 16,817,701                           | 9,107,610                                                               | 25,925,311         |
| Total assets                                                                                             |                                 |                                      |                                                                         | 25,925,311         |
| Segment liabilities                                                                                      | 20,846,310                      | 20,846,310                           | 48,624,068                                                              | 69,470,378         |
| Total Liabilities                                                                                        |                                 |                                      |                                                                         | 69,470,378         |
| Acquisitions of property, plant<br>and equipment, intangibles<br>and other non-current<br>segment assets | -                               | -                                    | -                                                                       | -                  |
| Depreciation and<br>amortisation expense                                                                 | -                               | -                                    | -                                                                       | -                  |



# Notes to the Financial Statements

## 30 June 2009

### 2. Segment information (continued)

#### Primary reporting format – business segments

| 2008                                                                                                      | Exploration<br>activities | Total<br>continuing<br>operations | Discontinuing<br>operation<br>Mining<br>operations <sup>(i)</sup> | Consolidated         |
|-----------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------------------------------------------|----------------------|
|                                                                                                           | \$                        | \$                                | \$                                                                | \$                   |
| Sales to external customers                                                                               | 6,773,082                 | 6,773,082                         | 48,056,790                                                        | 54,829,872           |
| Other revenue                                                                                             | 336,560                   | 336,560                           | 26,217                                                            | 362,777              |
| Total segment revenue                                                                                     | <u>7,109,642</u>          | <u>7,109,642</u>                  | <u>48,083,007</u>                                                 | <u>55,192,649</u>    |
| Segment result before<br>income tax                                                                       | <u>(14,606,384)</u>       | <u>(14,606,384)</u>               | <u>(85,846,580)</u>                                               | <u>(100,452,964)</u> |
| Profit/ (Loss) before income<br>tax                                                                       |                           |                                   |                                                                   | <u>(100,452,964)</u> |
| Segment assets                                                                                            |                           |                                   |                                                                   |                      |
|                                                                                                           | <u>16,606,551</u>         | <u>16,606,551</u>                 | <u>9,613,919</u>                                                  | <u>26,220,470</u>    |
| Total assets                                                                                              |                           |                                   |                                                                   | <u>26,220,470</u>    |
| Segment liabilities                                                                                       |                           |                                   |                                                                   |                      |
|                                                                                                           | <u>(15,482,330)</u>       | <u>(15,482,330)</u>               | <u>(48,624,068)</u>                                               | <u>(64,106,398)</u>  |
| Total Liabilities                                                                                         |                           |                                   |                                                                   | <u>(64,106,398)</u>  |
| Acquisitions of property,<br>plant and equipment,<br>intangibles and other non-<br>current segment assets |                           |                                   |                                                                   |                      |
|                                                                                                           | <u>9,427,711</u>          | <u>9,427,711</u>                  | <u>21,364,395</u>                                                 | <u>30,792,106</u>    |
| Depreciation and<br>amortisation expense                                                                  |                           |                                   |                                                                   |                      |
|                                                                                                           | <u>73,584</u>             | <u>73,584</u>                     | <u>3,096,094</u>                                                  | <u>3,169,678</u>     |
| Other non-cash expenses                                                                                   |                           |                                   |                                                                   |                      |
|                                                                                                           | <u>5,127,619</u>          | <u>5,127,619</u>                  | <u>55,078,141</u>                                                 | <u>60,205,760</u>    |

- (i) On 01 April 2009, the Company entered into a binding agreement with Navigator Pty Ltd to sell its Bronzewing assets (refer to note 27) the value of this non-current assets held for sale is included in the Mining operations segment.

#### Secondary reporting format – geographical segments

The consolidated entity is presently only exploring and mining in one geographical segment, being Western Australia.

# Notes to the Financial Statements

## 30 June 2009

### 3. Revenue and Other Income

|                                   | Consolidated   |                  | Parent Entity  |                |
|-----------------------------------|----------------|------------------|----------------|----------------|
|                                   | 2009           | 2008             | 2009           | 2008           |
|                                   | \$             | \$               | \$             | \$             |
| <b>From continuing operations</b> |                |                  |                |                |
| <i>Sales revenue</i>              |                |                  |                |                |
| Sales of Goods                    | 162,304        | 6,773,082        | -              | 33,723         |
| <i>Other revenue</i>              |                |                  |                |                |
| Interest                          | 110,467        | 336,560          | 102,321        | 336,560        |
| Sundry revenue                    | -              | -                | 111,257        | -              |
|                                   | <u>272,771</u> | <u>7,109,642</u> | <u>213,578</u> | <u>370,283</u> |
| <i>Other income</i>               |                |                  |                |                |
| Other - GST                       | 1,021,101      | -                | 1,010,238      | -              |

### 4. Expenses

|                                                                           | Consolidated     |                   | Parent Entity |                  |
|---------------------------------------------------------------------------|------------------|-------------------|---------------|------------------|
|                                                                           | 2009             | 2008              | 2009          | 2008             |
|                                                                           | \$               | \$                | \$            | \$               |
| <b>Profit before income tax includes the following specific expenses:</b> |                  |                   |               |                  |
| Depreciation:                                                             |                  |                   |               |                  |
| Computer equipment                                                        | -                | 73,585            | -             | (75,599)         |
| Office equipment                                                          | -                | -                 | -             | (6,748)          |
| Total depreciation                                                        | <u>-</u>         | <u>73,585</u>     | <u>-</u>      | <u>(82,347)</u>  |
| Finance costs                                                             |                  |                   |               |                  |
| Interest and finance charges paid/payable                                 | 3,256,178        | 1,420,789         | -             | 24,486           |
| Finance costs expensed                                                    | <u>3,256,178</u> | <u>1,420,789</u>  | <u>-</u>      | <u>24,486</u>    |
| Impairment of assets                                                      |                  |                   |               |                  |
| Inventories and fixed assets                                              | -                | 12,276,551        | -             | -                |
| Exploration, evaluation & development expenditure                         | -                | -                 | -             | 3,742,891        |
|                                                                           | <u>-</u>         | <u>12,276,551</u> | <u>-</u>      | <u>3,742,891</u> |

# Notes to the Financial Statements

## 30 June 2009

### 5. Income tax expense

|                                                                                         | Consolidated |               | Parent Entity |              |
|-----------------------------------------------------------------------------------------|--------------|---------------|---------------|--------------|
|                                                                                         | 2009         | 2008          | 2009          | 2008         |
|                                                                                         | \$           | \$            | \$            | \$           |
| <b>(a) Income tax expense</b>                                                           |              |               |               |              |
| Current tax                                                                             | -            | -             | -             | -            |
| Deferred tax                                                                            | -            | -             | -             | -            |
| Under (over) provided in prior years                                                    | -            | -             | -             | -            |
|                                                                                         | -            | -             | -             | -            |
| <b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>    |              |               |               |              |
| Loss from ordinary activities before income tax expense                                 | (5,659,139)  | (100,452,964) | (601,768)     | (85,999,498) |
|                                                                                         | (5,659,139)  | (100,452,964) | (601,768)     | (85,999,498) |
| Tax at the Australian tax rate of 30% (2008 - 30%)                                      | (1,697,742)  | (30,135,889)  | (180,530)     | (25,799,849) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: |              |               |               |              |
| Legal                                                                                   | -            | 277,199       | -             | 29,892       |
| Entertainment                                                                           | -            | -             | -             | -            |
| Share and equity based payment                                                          | -            | -             | -             | -            |
|                                                                                         | (1,697,742)  | (29,858,690)  | (180,530)     | (25,769,957) |
| Deferred tax asset in respect to losses not brought to account                          | 1,697,742    | 29,858,690    | 180,530       | 25,769,957   |
| Income tax expense                                                                      | -            | -             | -             | -            |

# Notes to the Financial Statements

## 30 June 2009

### 5. Income tax expense (continued)

|                                                                       | Consolidated |            | Parent Entity |            |
|-----------------------------------------------------------------------|--------------|------------|---------------|------------|
|                                                                       | \$           | \$         | \$            | \$         |
|                                                                       | 2009         | 2008       | 2009          | 2008       |
| <b>(c) Tax losses</b>                                                 |              |            |               |            |
| Unused tax losses for which no deferred tax asset has been recognised | 102,913,800  | 97,254,661 | 97,856,429    | 97,254,661 |
| Potential tax benefit @ 30%                                           | 30,874,140   | 29,176,398 | 29,356,929    | 29,176,398 |

All unused tax losses were incurred by Australian entities.

### 6. Discontinued operations

During March 2008 the administrators of View Resources Limited announced their intention to sell the Bronzewing asset and initiated an active program to locate a buyer and complete the sale. On 01 April 2009, the consolidated group entered into a sale agreement this sale was completed in September 2009 when all conditions precedent were met. For the year ending 30 June 2008 the disposal of the asset has triggered the discontinuing of its operations in the Mining business segment.

Financial information of the discontinued operation to the 30 June 2009 is included below.

#### Financial performance:

The financial performance and cash flow information present are for the year ended 30 June 2009 and 30 June 2008.

|                                                 | Consolidated |               |
|-------------------------------------------------|--------------|---------------|
|                                                 | \$           | \$            |
|                                                 | 2009         | 2008          |
| Revenue                                         | 703,951      | 48,083,007    |
| Other Income                                    | 964,380      | -             |
| Expenses                                        | (3,231,768)  | (133,929,587) |
| Loss before tax                                 | (1,563,437)  | (85,846,580)  |
| Income tax expense                              | -            | -             |
| Loss after income tax of discontinued operation | (1,563,437)  | (85,846,580)  |
| Loss on sale of the division before income tax  | -            | -             |
| Income tax expense                              | -            | -             |
| Loss on sale of the division after income tax   | -            | -             |
| Loss from discontinued operation                | -            | -             |

# Notes to the Financial Statements

## 30 June 2009

### 6. Discontinued operations (continued)

|                                                | Consolidated        |                     |
|------------------------------------------------|---------------------|---------------------|
|                                                | \$                  | \$                  |
|                                                | 2009                | 2008                |
| Cash flow Information                          |                     |                     |
| Net cash outflow from operating activities     | (1,563,407)         | (20,495,984)        |
| Net cash inflow from investing activities      | -                   | -                   |
| Net cash outflow from financing activities     | -                   | -                   |
| Net decrease in cash generated by the division | (1,563,407)         | (20,495,984)        |
| Carrying amounts of assets and liabilities     |                     |                     |
| Cash and cash equivalents                      | (477,481)           | 65,319              |
| Non current asset held for sale                | 9,585,092           | 9,548,600           |
| <b>Total assets</b>                            | <b>9,107,610</b>    | <b>9,613,919</b>    |
| Trade and other payables                       | (25,659,057)        | (25,659,057)        |
| Provisions                                     | (4,792,566)         | (4,792,566)         |
| Borrowings                                     | (18,172,445)        | (18,172,445)        |
| <b>Total liabilities</b>                       | <b>(48,624,068)</b> | <b>(48,624,068)</b> |
| <b>Net assets</b>                              | <b>(39,516,458)</b> | <b>(39,010,149)</b> |

### 7. Current assets – Cash and cash equivalents

|                          | Consolidated |           | Parent Entity |           |
|--------------------------|--------------|-----------|---------------|-----------|
|                          | \$           | \$        | \$            | \$        |
|                          | 2009         | 2008      | 2009          | 2008      |
| Cash at bank and in hand | 3,242,813    | 3,663,274 | 2,752,170     | 3,353,936 |
|                          | 3,242,813    | 3,663,274 | 2,752,170     | 3,353,936 |

# Notes to the Financial Statements

## 30 June 2009

### 8. Current assets – Other financial assets

|                    | Consolidated |           | Parent Entity |      |
|--------------------|--------------|-----------|---------------|------|
|                    | \$           | \$        | \$            | \$   |
|                    | 2009         | 2008      | 2009          | 2008 |
| Prepayments        | -            | 22,803    | -             | -    |
| Environmental bond | 4,170,800    | 4,170,800 | -             | -    |
|                    | 4,170,800    | 4,193,603 | -             | -    |

Environmental bonds to the Department of Mines and Petroleum were issued on behalf of View Gold for the operations relating to the Bronzewing Mine.

### 9. Non Current Assets held for sale

| Current                                                               | 2009      | 2008      | 2009 | 2008 |
|-----------------------------------------------------------------------|-----------|-----------|------|------|
|                                                                       | \$        | \$        | \$   | \$   |
| View Gold Pty Limited – Property Plant and Equipment <sup>(i)</sup> : | 9,348,601 | 9,348,601 | -    | -    |
| Exploration and evaluation assets <sup>(ii)</sup>                     | 200,000   | 200,000   | -    | -    |
|                                                                       | 9,548,601 | 9,548,601 | -    | -    |

(i) On 01 April 2009, the Company entered into a binding agreement with Navigator Pty Ltd to sell its Bronzewing assets and the total dollar amount of existing bonds (Refer to Note 27).

(ii) The exploration and evaluation assets relate to costs to acquire tenements and capitalised exploration costs and are included in the segment assets of the Economic Entity's exploration operating segment as disclosed in Note 2.

### 10. Non-current assets - Other receivables

|                                                       | Consolidated |        | Parent Entity |              |
|-------------------------------------------------------|--------------|--------|---------------|--------------|
|                                                       | \$           | \$     | \$            | \$           |
|                                                       | 2009         | 2008   | 2009          | 2008         |
| Loan to View Gold Pty Ltd                             | -            | -      | -             | 70,000,000   |
| Provision for diminution in loan to View Gold Pty Ltd | -            | -      | -             | (70,000,000) |
| Other receivables                                     | 36,492       | 36,492 | -             | -            |
|                                                       | 36,462       | 36,492 | -             | -            |

Further information relating to loans from related parties is set out in note 21.

For the period 8<sup>th</sup> February 2008 to 9<sup>th</sup> February 2011 the group has been in administration. The current directors were not the directors during any part of the financial years end for the 30 June 2009 and 30 June 2008. The current Board is not able to determine the recoverability of the receivables.

# Notes to the Financial Statements

## 30 June 2009

### 11. Non-current assets – Other financial assets

|                              | Consolidated |      | Parent Entity |      |
|------------------------------|--------------|------|---------------|------|
|                              | \$           | \$   | \$            | \$   |
|                              | 2009         | 2008 | 2009          | 2008 |
| Investment in View Gold      | -            | -    | 1             | 1    |
| Total other financial assets | -            | -    | 1             | 1    |

These financial assets are carried at cost.

### 12. Non-current assets – Property, plant & equipment

|                                                               | Consolidated |              | Parent Entity |        |
|---------------------------------------------------------------|--------------|--------------|---------------|--------|
|                                                               | \$           | \$           | \$            | \$     |
|                                                               | 2009         | 2008         | 2009          | 2008   |
| <b>Office equipment</b>                                       | -            | 21,163,092   | -             | -      |
| Less: Accumulated depreciation                                | -            | (2,987,290)  | -             | -      |
| Less: Provision for Impairment                                | -            | (13,493,749) | -             | -      |
| Transferred to Non Current Asset held for sale <sup>(i)</sup> | -            | (4,682,053)  | -             | -      |
|                                                               | -            | -            | -             | -      |
| <b>General plant and equipment</b>                            | 20,000       | 7,255,835    | 20,000        | 20,000 |
| Less: Accumulated depreciation                                | -            | (988,918)    | -             | -      |
| Less: Provision for Impairment                                | -            | (1,580,070)  | -             | -      |
| Transferred to Non Current Asset held for sale <sup>(i)</sup> | -            | (4,666,847)  | -             | -      |
|                                                               | 20,000       | 20,000       | 20,000        | 20,000 |
| <b>Total plant and equipment</b>                              | 20,000       | 20,000       | 20,000        | 20,000 |

- (i) The assets of the group were subsequently sold in the period ending 31 December 2009 therefore at this date the balances have been written down to there Net Realisable Value and transferred to Non Current Asset held for sale (Note 9).

# Notes to the Financial Statements

## 30 June 2009

### 12. Non-current assets – Property, plant & equipment (continued)

#### (a) Leased assets

General plant and equipment includes the following amounts where the Group is a lessee under a finance lease:

|                                                         | Consolidated |             | Parent Entity |      |
|---------------------------------------------------------|--------------|-------------|---------------|------|
|                                                         | \$           | \$          | \$            | \$   |
|                                                         | 2009         | 2008        | 2009          | 2008 |
| <b>General plant and equipment</b>                      | 20,000       | 7,255,835   | -             | -    |
| Less: Accumulated depreciation                          | -            | (988,918)   | -             | -    |
| Less: Provision for Impairment                          | -            | (1,580,070) | -             | -    |
| Transferred to Non Current Asset held for sale (Note 9) | -            | (4,666,847) | -             | -    |
|                                                         | 20,000       | 20,000      | -             | -    |

#### (b) Non-current assets pledged as security

Refer to note 16 for information on non-current assets pledged as security by the parent entity and its controlled entities.

#### Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

|                                              | Computer Equipment | Office Equipment | Plant & Equipment | Total    |
|----------------------------------------------|--------------------|------------------|-------------------|----------|
|                                              | \$                 | \$               | \$                | \$       |
| <b>Parent Entity</b>                         |                    |                  |                   |          |
| Carrying amount at 1 July 2007               | 14,273             | 3,059            | 9,650             | 26,982   |
| Additions                                    | -                  | -                | 10,350            | 10,350   |
| Disposals                                    | (14,273)           | (3,059)          | -                 | (17,332) |
| Depreciation (expense) / write back (note 4) | -                  | -                | -                 | -        |
| Carrying amount at 30 June 2008              | -                  | -                | 20,000            | 20,000   |
| Additions                                    | -                  | -                | -                 | -        |
| Disposals                                    | -                  | -                | -                 | -        |
| Depreciation (expense) / write back (note 4) | -                  | -                | -                 | -        |
| Carrying amount at 30 June 2009              | -                  | -                | 20,000            | 20,000   |

## Notes to the Financial Statements

### 30 June 2009

#### 12. Non-current assets – Property, plant & equipment (continued)

| Consolidated                                            | Computer<br>Equipment<br>\$ | Office Equipment<br>\$ | Plant & Equipment<br>\$ | Total<br>\$  |
|---------------------------------------------------------|-----------------------------|------------------------|-------------------------|--------------|
| Carrying amount at 1 July 2007                          | 14,273                      | 3,059                  | 19,801,342              | 19,818,674   |
| Additions                                               | -                           | 21,160,033             | -                       | 21,160,033   |
| Disposals                                               | (14,273)                    | -                      | (12,545,507)            | (12,559,780) |
| Depreciation (expense) / write back (note 4)            | -                           | (2,987,290)            | (988,918)               | (3,976,208)  |
| Provision for impairment                                | -                           | (13,494,048)           | (1,580,070)             | (15,074,118) |
| Transferred to Non Current Asset held for sale (Note 9) | -                           | (4,681,754)            | (4,666,847)             | (9,348,601)  |
| Carrying amount at 30 June 2008                         | -                           | -                      | 20,000                  | 20,000       |
| Additions                                               | -                           | -                      | -                       | -            |
| Disposals                                               | -                           | -                      | -                       | -            |
| Depreciation (expense) / write back (note 4)            | -                           | -                      | -                       | -            |
| Carrying amount at 30 June 2009                         | -                           | -                      | 20,000                  | 20,000       |

#### 13. Non-current assets – Exploration, evaluation and development expenditure

|                                                               | Consolidated<br>\$<br>2009 | \$<br>2008   | Parent Entity<br>\$<br>2009 | \$<br>2008  |
|---------------------------------------------------------------|----------------------------|--------------|-----------------------------|-------------|
| Cost brought forward                                          | -                          | 24,718,878   | -                           | 506,011     |
| Acquisition of mine properties                                | -                          | -            | -                           | -           |
| Exploration expenditure capitalised during the year           | -                          | -            | -                           | -           |
| Mine development expenditure capitalised during the year      | -                          | 9,020,961    | -                           | 803,446     |
| Capitalised expenditure written-off during the year           | -                          | (32,812,194) | -                           | (1,309,457) |
| Amortisation expense                                          | -                          | (727,645)    | -                           | -           |
| Transferred to Non Current Asset held for sale <sup>(i)</sup> | -                          | (200,000)    | -                           | -           |
| Costs carried forward                                         | -                          | -            | -                           | -           |

## Notes to the Financial Statements

### 30 June 2009

#### 13. Non-current assets – Exploration, evaluation and development expenditure (continued)

- (i) The assets of the group were subsequently sold in the period ending 31 December 2009 therefore at this date the balances have been written down to there Net Realisable Value and transferred to Non Current Asset held for sale (Note 9).

#### 14. Investments accounted for using the equity method

|                                     | Consolidated |           | Parent entity |      |
|-------------------------------------|--------------|-----------|---------------|------|
|                                     | 2009         | 2008      | 2009          | 2008 |
|                                     | \$           | \$        | \$            | \$   |
| Interest in Carnilya Joint Venture* | 8,906,605    | 8,781,303 | -             | -    |
|                                     | 8,906,605    | 8,781,303 | -             | -    |

##### (a) Movements in carrying amount

|                                              |           |           |   |   |
|----------------------------------------------|-----------|-----------|---|---|
| Carrying amount at the beginning of the year | 8,781,303 | -         | - | - |
| Acquisition of joint venture                 | -         | 9,723,464 | - | - |
| Net movement of acquisition during year      | 637,010   | -         | - | - |
| Share of loss after income tax               | (511,708) | (942,161) | - | - |
| Carrying amount at the end of the year       | 8,906,605 | 8,781,303 | - | - |

\* The interests in the joint venture is controlled by Mincor Resources NL and is not jointly controlled.

#### 15. Current liabilities – Trade and other payables

|                                            | Consolidated |            | Parent Entity |           |
|--------------------------------------------|--------------|------------|---------------|-----------|
|                                            | \$           | \$         | \$            | \$        |
|                                            | 2009         | 2008       | 2009          | 2008      |
| Trade creditors                            | 7,929,212    | 7,929,212  | 2,536,290     | 2,536,291 |
| Accrued expenses                           | 19,479,051   | 19,479,051 | 1,115,580     | 1,115,580 |
| Other creditors                            | 1,544,784    | 1,544,784  | -             | -         |
| Employee benefits – annual leave provision | 522,879      | 522,879    | -             | -         |
|                                            | 29,475,926   | 29,475,926 | 3,651,870     | 3,651,871 |

# Notes to the Financial Statements

## 30 June 2009

### 16. Borrowings

| Current                  | Consolidated |      | Parent Entity |      |
|--------------------------|--------------|------|---------------|------|
|                          | \$           | \$   | \$            | \$   |
|                          | 2009         | 2008 | 2009          | 2008 |
| Administrators debt      | 23,768,467   | -    | -             | -    |
| Total current borrowings | 23,768,467   | -    | -             | -    |

| Non-Current                  | Consolidated |            | Parent Entity |           |
|------------------------------|--------------|------------|---------------|-----------|
|                              | \$           | \$         | \$            | \$        |
|                              | 2009         | 2008       | 2009          | 2008      |
| Loan to View Nickel          | -            | -          | 2,309,552     | 2,309,552 |
| Provision for diminution     | -            | -          | 2,362,741     | 2,362,741 |
| Administrators debt          | -            | 18,404,486 | -             | -         |
| Lease liabilities (note 22)  | 10,860,019   | 10,860,019 | -             | -         |
| Total non-current borrowings | 10,860,019   | 29,264,505 | 4,672,293     | 4,672,293 |

#### (a) Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

|                           | Consolidated |            | Parent Entity |      |
|---------------------------|--------------|------------|---------------|------|
|                           | \$           | \$         | \$            | \$   |
|                           | 2009         | 2008       | 2009          | 2008 |
| Bank loans                | 23,768,467   | 18,404,486 | -             | -    |
| Lease liabilities         | -            | -          | -             | -    |
| Total secured liabilities | 23,768,467   | 18,404,486 | -             | -    |

#### (b) Assets pledged as security

Austral-Asia Resources Infrastructural Investments Pty Limited ("AARI") entered into an agreement on the 11 March 2008 with the Administrators of View Nickel to refinance debts due to IBAL and fund future cash calls in relation to the Carnilya Hill Joint Venture. The Administrators are personally liable for repayment of funds used under this facility.

#### (c) Interest rate risk exposures

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods.

Exposures arise predominantly from liabilities bearing variable interest rates as the Group intends to hold fixed rate liabilities to maturity.

# Notes to the Financial Statements

## 30 June 2009

### 16. Borrowings (continued)

| 2009                              | Floating<br>interest<br>rate | 1 year or<br>less | Over 1 to<br>2 years | Fixed interest rate  |                      |   |   | Over 4<br>to 5<br>years | Over 5<br>years | Total      |
|-----------------------------------|------------------------------|-------------------|----------------------|----------------------|----------------------|---|---|-------------------------|-----------------|------------|
|                                   |                              |                   |                      | Over 2 to<br>3 years | Over 3 to<br>4 years |   |   |                         |                 |            |
| Administrators loan<br>facility   | 23,768,467                   | -                 | -                    | -                    | -                    | - | - | -                       | -               | 23,768,467 |
|                                   | 23,768,467                   |                   |                      |                      |                      |   |   |                         |                 | 23,768,467 |
| Weighted average<br>interest rate | 7.30%                        | -                 | -                    | -                    | -                    | - | - | -                       | -               |            |

  

| 2008                              | Floating<br>interest<br>rate | Fixed interest rate<br>1 year or<br>less | Over 1 to<br>2 years | Over 2 to<br>3 years | Over 3 to<br>4 years | Over 4<br>to 5<br>years | Over 5<br>years | Total      |
|-----------------------------------|------------------------------|------------------------------------------|----------------------|----------------------|----------------------|-------------------------|-----------------|------------|
|                                   |                              |                                          |                      |                      |                      |                         |                 |            |
| Administrators loan<br>facility   | 18,404,486                   | -                                        | -                    | -                    | -                    | -                       | -               | 18,404,486 |
|                                   | 18,404,486                   | -                                        | -                    | -                    | -                    | -                       | -               | 18,404,486 |
| Weighted average<br>interest rate | 12.14%                       | -                                        | -                    | -                    | -                    | -                       | -               |            |

### 17. Non-current liabilities - Provisions

|                                          | Consolidated |            | Parent Entity |            |
|------------------------------------------|--------------|------------|---------------|------------|
|                                          | \$<br>2009   | \$<br>2008 | \$<br>2009    | \$<br>2008 |
| Provision for rehabilitation             | 5,365,966    | 5,365,966  | -             | -          |
|                                          | 5,366,966    | 5,365,966  | -             | -          |
| Movement in provision for rehabilitation |              |            |               |            |
| Opening balance                          | 5,365,966    | 4,098,414  | -             | -          |
| Amount provided for during the year      | -            | 1,267,552  | -             | -          |
| Closing balance                          | 5,365,966    | 5,365,966  | -             | -          |

#### Provision for rehabilitation

A provision has been recognised for the costs to be incurred for the rehabilitation of the mining site used for the exploration and mining of gold ore. It is anticipated that the mine will require rehabilitating in approximately 3 years. A discount rate (10%) adjusted to reflect the risk inherent in the mining operation has been applied. A provision of \$500,000 has been recognised for the cost to be incurred for the rehabilitation of the Carnilya Hill mining operations.

# Notes to the Financial Statements

## 30 June 2009

### 18. Contributed Equity

|                                                                 | Consolidated |             | Parent Entity |             |
|-----------------------------------------------------------------|--------------|-------------|---------------|-------------|
|                                                                 | 2009         | 2008        | 2009          | 2008        |
|                                                                 | \$           | \$          | \$            | \$          |
| Share Capital                                                   |              |             |               |             |
| Ordinary shares – Fully paid<br>439,055,266 (2008: 439,055,266) | 138,078,582  | 138,078,582 | 138,078,582   | 138,078,582 |
| Total contributed equity                                        | 138,078,582  | 138,078,582 | 138,078,582   | 138,078,582 |

There have been no movements in ordinary share capital during the period.

#### a) 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.

#### b) Options

Information regarding View Resources Limited unlisted options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year is set out below.

#### c) Equity based payments

No equity based payments occurred during the period.

#### Movements in unlisted options

There have been no movements in unlisted options during the period.

#### Movements in listed options

There have been no movements in listed options during the period.

# Notes to the Financial Statements

## 30 June 2009

### 19. Reserves

|                                    | Consolidated     |                  | Parent Entity    |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | \$               | \$               | \$               | \$               |
|                                    | 2009             | 2008             | 2009             | 2008             |
| Share-based payment reserve        | 3,341,590        | 3,341,590        | 3,341,590        | 3,341,590        |
| Hedging reserve – cash flow hedges | -                | -                | -                | -                |
| Recapitalisation                   | (29,310)         | (29,310)         | (29,310)         | (29,310)         |
|                                    | <u>3,312,280</u> | <u>3,312,280</u> | <u>3,312,280</u> | <u>3,312,280</u> |
| <b>Movements</b>                   |                  |                  |                  |                  |
| Share-based payment reserve        |                  |                  |                  |                  |
| Balance 1 July                     | 3,341,590        | 3,341,590        | 3,341,590        | 3,341,590        |
| Balance 30 June                    | <u>3,341,590</u> | <u>3,341,590</u> | <u>3,341,590</u> | <u>3,341,590</u> |
| Hedging reserve – cash flow hedges |                  |                  |                  |                  |
| Balance 1 July                     | -                | 6,921,619        | -                | -                |
| Revaluation - gross                | -                | (6,921,619)      | -                | -                |
| Balance 30 June                    | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |

- The share-based payment reserve is used to record the value of options provided to employees and directors as part of their remuneration.
- The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(l). Amounts are recognised in profit and loss when the associated hedge transaction affects profit and loss.



# Notes to the Financial Statements

## 30 June 2009

### 20. Key management personnel disclosures

The company has taken advantage of the relief provided by *Corporations Regulation* 2M.6.04 and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in sections A-D of the remuneration report on pages 8 to 16.

However from the period 8<sup>th</sup> February 2008 to 9<sup>th</sup> February 2011 the group has been in administration. The current directors were not the directors during any part of the financial year end for the 30 June 2009. Most of the information relating to Key management personnel for the year ended 30 June 2009 has been excluded or is incomplete due to the required information not being available as all the information and knowledge resided with the previous directors and Administrators and the accounting records as provided are not complete enough to extract details of remuneration and Key management personnel for the year ended 30 June 2009. The current Board is not able to determine who was Key management personnel at the time and is not able to ascertain full details of the disclosures required.

### 21. Related parties

#### a) Parent Entities

The parent entity within the Group is View Resources Limited.

#### b) Subsidiaries

Interests in subsidiaries are set out in note 26.

#### c) Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report on page 8 to 16.

#### d) Transactions with related parties

For the period 8<sup>th</sup> February 2008 to 9<sup>th</sup> February 2011 the group has been in administration. The current directors were not the directors during any part of the financial year end for the 30 June 2009. Most of the information relating to related party transactions for the year ended 30 June 2009 has been excluded or is incomplete due to the required information not being available as all the information and knowledge resided with the previous directors and Administrators and the accounting records as provided are not complete enough to extract details of who all the related parties are and payments made.

The current Board is not able to determine who was Key management personnel at the time and is not able to ascertain full details of the disclosures required.

#### e) Loans to/(from) related parties

|                              | Consolidated |      | Parent entity |              |
|------------------------------|--------------|------|---------------|--------------|
|                              | 2009         | 2008 | 2009          | 2008         |
|                              | \$           | \$   | \$            | \$           |
| <b>Loans to subsidiaries</b> |              |      |               |              |
| Beginning of the year        | -            | -    | (3,201,406)   | 45,879,675   |
| Loans advanced               | -            | -    | -             | 21,810,772   |
| Provision for diminution     | -            | -    | -             | (70,891,853) |
| End of year                  | -            | -    | (3,201,406)   | (3,201,406)  |

# Notes to the Financial Statements

## 30 June 2009

### 22. Remuneration of auditors

During the year the following amounts were paid to the auditor BDO Kendalls Audit & Assurance (WA):

|                                                                                            | Consolidated  |               |
|--------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                            | 2009<br>\$    | 2008<br>\$    |
| <b>Assurance services</b>                                                                  |               |               |
| <b>1. Audit services</b>                                                                   |               |               |
| Audit and review of financial reports and other audit work under the Corporations Act 2001 | 12,000        | 25,000        |
| <i>Total remuneration for audit services</i>                                               | <u>12,000</u> | <u>25,000</u> |

### 23. Contingent liabilities

There were no material contingent liabilities, not provided for in the financial statements of the Company as at 30 June 2009.

### 24. Commitments for expenditure

#### (a) Capital commitments

There are no such capital commitments.

#### (b) Lease commitments: Group as lessee

##### (i) Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

|                                                   | Consolidated |            | Parent entity |            |
|---------------------------------------------------|--------------|------------|---------------|------------|
|                                                   | 2009<br>\$   | 2008<br>\$ | 2009<br>\$    | 2008<br>\$ |
| Within one year                                   | -            | 247,859    | -             | 137,236    |
| Later than one year but not later than five years | -            | -          | -             | 147,241    |

# Notes to the Financial Statements

## 30 June 2009

### 25. Employee benefits

|                                                   | Consolidated |         | Parent entity |      |
|---------------------------------------------------|--------------|---------|---------------|------|
|                                                   | 2009         | 2008    | 2009          | 2008 |
|                                                   | \$           | \$      | \$            | \$   |
| Employee benefit and related on-costs liabilities |              |         |               |      |
| Provision for employee benefits – current         | 522,879      | 522,879 | -             | -    |
|                                                   | 522,879      | 522,879 | -             | -    |

### 26. Investments in controlled entities

| Name of Entity      | Country of Incorporation | Class of Shares | Equity Holding |      |
|---------------------|--------------------------|-----------------|----------------|------|
|                     |                          |                 | 2009           | 2008 |
| View Nickel Pty Ltd | Australia                | Ordinary        | 100%           | 100% |
| View Gold Pty Ltd   | Australia                | Ordinary        | 100%           | 100% |

### 27. Events occurring after reporting date

View Gold entered into a binding sale agreement with Navigator (Bronzewing) Pty Ltd (“Navigator”) on 1 April 2009 in relation to the sale and purchase of View Gold’s Bronzewing assets (including all tenements, infrastructure and associated agreements and environmental liabilities attached to the tenements) for an amount of \$16.0 million (“Purchase Price”). The Purchase Price was comprised of cash of \$9.5 million and the assumption, by Navigator, of the existing environmental liabilities of \$4.2 million and additional environmental bond liabilities imposed by the Department of Mines and Petroleum (“DMP”) of \$2.3 million in connection with View Gold’s tenements. All completion conditions were satisfied on 30 August 2009 and the completion of the sale occurred on 30 September 2009. Total settlement proceeds in the amount of \$9.5 million were received and \$4.14 million released to View Nickel with respect to the DMP environmental bonds that View Nickel assumed on behalf of View Gold pursuant to the loan agreement.

Throughout the administration, the Administrators have been in discussions with a number of parties regarding the possible restructure and recapitalisation of the Group including View Resources’ major shareholder, IMC.

Following the second adjourned meeting of creditors held on 25 July 2008 whereby creditors accepted a DOCA proposal presented by Austral-Asia Resources and Infrastructural Investments Pty Ltd (“AARII”), View Resources entered into a DOCA on 15 August 2008. As certain conditions under the DOCA had not been satisfied, a third meeting of creditors was held on 12 January 2010 whereby creditors accepted the Varied DOCA proposal presented by AARII. The terms of this DOCA provided that the effectuation of the View Resources DOCA is subject to the conditions of the View Nickel DOCA being effectuated and fund monies being distributed by 20 December 2010; and under the terms of the View Nickel DOCA, the Deed Administrators must realise View Nickel’s 30% interest in the Carnilya Hill Joint Venture by 20 December 2010. The Deed Administrators were not in a position to realise View Nickel’s interest in the CHJV and distribute the proceeds by 20 December 2010.

# Notes to the Financial Statements

## 30 June 2009

### 27. Events occurring after reporting date (Continued)

Following a marketing and sale campaign, the Administrators received a Varied DOCA proposal by Brijohn Nominees Pty Ltd (the Syndicate) which was capable of being accepted by creditors.

The major terms of the Syndicate's Varied DOCA Proposal (the DOCA Proposal) are as follows:

1. The Syndicate will pay a total amount of \$900,000 to the Deed Administrators as follows:
  - a) \$675,000 to the Deed Administrators in consideration for View Resources' shareholding in View Nickel, the View Resources loan to View Nickel and the debt owed to View Resources by View Gold, all the subject of View Nickel's charge over View Resources. This amount will be paid to the secured creditor given its existing outstanding debt; and
  - b) \$225,000 to the Deed Administrators to be distributed to the View Resources' Creditors' Trust in full and final satisfaction of View Resources' unsecured creditor claims;
2. Payment of \$1,225,000 to the VNI Trustees of which \$1,200,000 is to be paid to AARII in consideration of the AARII Debt.
3. The completion of the DOCA Proposal is subject to:
  - a. Prior to 31 January 2011, the ASX not revoking its stance that View Resources does not need to re-comply with chapters 1 & 2 of the ASX Listing Rules;
  - b. Receiving View Resources' creditor approval to the Varied DOCA Proposal;
  - c. Obtaining various shareholder approvals, including but not limited to proposed capital raisings, share consolidations and director appointments;
  - d. Preparation of the View Resources' financial accounts by the Deed Administrators;
  - e. Payment of the secured creditors cash consideration of \$675,000 within five (5) business days of receiving View Resources shareholder approval;
  - f. View Gold to be removed from the View Resources' group structure; and
  - g. The Deed Administrators obtaining varied (or new) section 477A orders.

At completion, the DOCA Proposal will terminate as a result of being wholly effectuated, and:

1. View Resources unsecured creditor claims will be extinguished against View Resources and each unsecured creditor will have a claim against the Creditors Trust Fund for the same amount of any claim they would have had against View Resources;
2. View Resources will be released from all creditor claims; and
3. The View Resources Creditors Trust Fund will be distributed in accordance with the terms of the Creditors Trust Deed which applies the same statutory priorities as a liquidation scenario.

On the 9th February 2011 the Varied DOCA as described above was effectuated and the recapitalisation proposal for the company completed. Control of View Resources Limited and View Nickel Pty Ltd was handed over to the new and current directors.

As a result of the above the Company has extinguished all liabilities associated with the previous administration of the Group and has undertaken the following transactions;

- Consolidation of the existing fully paid ordinary shares (Shares) on a one (1) for twenty (20) basis together with the consolidation of its existing options in the same ratio as the existing Shares; and
- Issued 50,000,000 new Shares post consolidation at \$0.001 each to raise \$50,000; and
- Issued 800,000,000 new Shares post consolidation at \$0.005 each to raise \$4,000,000; and
- Issue 170,000,000 new options exercisable at \$0.01 each and expiring 31 March 2014.

## **Notes to the Financial Statements**

### **30 June 2009**

#### **27. Events occurring after reporting date (Continued)**

In raising this capital, the Company has then made a payment of \$2,125,000 to the Creditor's Trust to effectuate the DOCA with the Administrators.

Subject to the satisfaction of all outstanding legal and ASX requirements the company is expected to relist on the ASX sometime in due course.

# Notes to the Financial Statements

## 30 June 2009

### 28. Loss per share

#### Basic earnings per share

|                                                                                 | Consolidated |         |
|---------------------------------------------------------------------------------|--------------|---------|
|                                                                                 | 2009         | 2008    |
|                                                                                 | Cents        | Cents   |
| Loss from operations attributable to the ordinary equity holders of the company | (1.29)       | (24.51) |
| Loss from continuing operations                                                 | (0.93)       | (3.64)  |
| Loss from discontinued operations                                               | (0.36)       | (20.95) |

Diluted earnings per share are not calculated as it is not dilutive given the loss position.

#### Weighted average number of shares used as the denominator

|                                                                                                            | Consolidated |             |
|------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                            | 2009         | 2008        |
|                                                                                                            | Number       | Number      |
| Weighted average number of shares used as the denominator                                                  |              |             |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | 439,055,266  | 409,784,215 |



## Notes to the Financial Statements

### 30 June 2009

#### 29. Reconciliation of loss from ordinary activities after income tax to net cash inflow / (outflow) from operating activities

|                                                                                                | Consolidated |               | Parent entity |              |
|------------------------------------------------------------------------------------------------|--------------|---------------|---------------|--------------|
|                                                                                                | 2009         | 2008          | 2009          | 2008         |
|                                                                                                | \$           | \$            | \$            | \$           |
| (Loss) from ordinary activities after income tax                                               | (5,659,109)  | (100,452,964) | (601,768)     | (85,999,499) |
| Capitalised borrowing costs and interest                                                       | 3,504,980    | -             | -             | -            |
| Share of loss in associate                                                                     | 511,708      |               |               |              |
| Depreciation and amortisation                                                                  | -            | 3,169,679     | -             | (82,347)     |
| Net (gain)/loss on disposal of fixed assets                                                    | -            | 46,021        | -             | -            |
| Equity based payments                                                                          | -            | 456,282       | -             | -            |
| Loss on disposal of Hedges                                                                     | -            | 7,234,177     | -             | -            |
| Exploration written off                                                                        | -            | 2,697,810     | -             | 1,515,884    |
| Impairment                                                                                     | -            | 47,886,316    | -             | 82,142,899   |
| Change in operating assets and liabilities, net of effects from purchase of controlled entity: |              |               |               |              |
| (Increase)/decrease in trade debtors and receivables                                           | -            | 827,554       | -             | 61,903       |
| (Increase)/decrease in other assets                                                            | -            | (9,454,430)   | -             | (482,541)    |
| (Increase) in inventories                                                                      | -            | 3,915,958     | -             | -            |
| Increase/(decrease) in trade and other creditors                                               | -            | 20,645,540    | -             | 3,332,055    |
| Increase/(decrease) in provisions                                                              | -            | 974,302       | -             | (98,479)     |
| Net cash inflow (outflow) from operating activities                                            | (1,642,420)  | (22,053,755)  | (601,768)     | 389,875      |



# Notes to the Financial Statements

## 30 June 2009

### 30. Share-based payments

Set out below are summaries of options granted:

| Grant Date                                   | Expiry date      | Exercise price | Balance at start of year Number | Granted during the year Number | Exercised during the year Number | Forfeited during the year Number | Balance at end of the year Number | Vested and exercisable at end of the year Number |
|----------------------------------------------|------------------|----------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------------------|--------------------------------------------------|
| <b>Consolidated and parent entity - 2009</b> |                  |                |                                 |                                |                                  |                                  |                                   |                                                  |
| 31 March 2005                                | 31 March 2009    | \$0.50         | 3,400,000                       | -                              | -                                | 3,400,000                        | -                                 | -                                                |
| 13 March 2006                                | 30 June 2009     | \$0.25         | 1,000,000                       | -                              | -                                | -                                | 1,000,000                         | 1,000,000                                        |
| 31 May 2006                                  | 31 December 2009 | \$0.20         | 2,000,000                       | -                              | -                                | -                                | 2,000,000                         | 2,000,000                                        |
| 31 May 2006                                  | 31 December 2010 | \$0.25         | 1,000,000                       | -                              | -                                | -                                | 1,000,000                         | -                                                |
| 27 November 2006                             | 30 June 2009     | \$0.20         | -                               | 5,000,000                      | -                                | -                                | 5,000,000                         | 5,000,000                                        |
| 3 January 2007                               | 31 March 2010    | \$0.18         | -                               | 10,000,000                     | -                                | -                                | 10,000,000                        | 10,000,000                                       |
| 18 May 2007                                  | 30 December 2009 | \$0.22         | -                               | 750,000                        | -                                | -                                | 750,000                           | -                                                |
| 18 May 2007                                  | 30 December 2009 | \$0.25         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.25         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.29         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.30         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 28 February 2010 | \$0.24         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 30 December 2010 | \$0.27         | -                               | 750,000                        | -                                | -                                | 750,000                           | -                                                |
| 18 May 2007                                  | 30 December 2010 | \$0.30         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.30         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.35         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.36         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 28 February 2011 | \$0.29         | -                               | 250,000                        | -                                | -                                | 250,000                           | -                                                |
|                                              |                  |                | 12,875,000                      | 19,000,000                     | 250,000                          | 7,625,000                        | 23,000,000                        | 18,000,000                                       |
| Weighted average exercise price              |                  |                | \$0.30                          | \$0.21                         | \$0.20                           | \$0.33                           | \$0.21                            | \$0.19                                           |



# Notes to the Financial Statements

## 30 June 2009

### 30. Share-based payments (continued)

| Grant Date                                   | Expiry date      | Exercise price | Balance at start of year Number | Granted during the year Number | Exercised during the year Number | Forfeited during the year Number | Balance at end of the year Number | Vested and exercisable at end of the year Number |
|----------------------------------------------|------------------|----------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------------------|--------------------------------------------------|
| <b>Consolidated and parent entity - 2008</b> |                  |                |                                 |                                |                                  |                                  |                                   |                                                  |
| 31 March 2005                                | 31 March 2009    | \$0.50         | 3,400,000                       | -                              | -                                | -                                | 3,400,000                         | 3,400,000                                        |
| 22 December 2005                             | 30 June 2008     | \$0.20         | 3,475,000                       | -                              | 250,000                          | 3,225,000                        | -                                 | -                                                |
| 13 March 2006                                | 30 June 2008     | \$0.20         | 1,000,000                       | -                              | -                                | 1,000,000                        | -                                 | -                                                |
| 13 March 2006                                | 30 June 2009     | \$0.25         | 1,000,000                       | -                              | -                                | -                                | 1,000,000                         | 1,000,000                                        |
| 31 May 2006                                  | 31 December 2009 | \$0.20         | 2,000,000                       | -                              | -                                | -                                | 2,000,000                         | 2,000,000                                        |
| 31 May 2006                                  | 31 December 2010 | \$0.25         | 1,000,000                       | -                              | -                                | -                                | 1,000,000                         | -                                                |
| 27 November 2006                             | 30 June 2009     | \$0.20         | 5,000,000                       | -                              | -                                | -                                | 5,000,000                         | 5,000,000                                        |
| 3 January 2007                               | 31 March 2010    | \$0.18         | 10,000,000                      | -                              | -                                | -                                | 10,000,000                        | 10,000,000                                       |
| 18 May 2007                                  | 30 December 2009 | \$0.22         | 750,000                         | -                              | -                                | -                                | 750,000                           | -                                                |
| 18 May 2007                                  | 30 December 2009 | \$0.25         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.25         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.29         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2010  | \$0.30         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 28 February 2010 | \$0.24         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 30 December 2010 | \$0.27         | 750,000                         | -                              | -                                | -                                | 750,000                           | -                                                |
| 18 May 2007                                  | 30 December 2010 | \$0.30         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.30         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.35         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 31 January 2011  | \$0.36         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 18 May 2007                                  | 28 February 2011 | \$0.29         | 250,000                         | -                              | -                                | -                                | 250,000                           | -                                                |
| 11 September 2007                            | 1 August 2011    | \$0.39         | -                               | 1,050,000                      | -                                | -                                | 1,050,000                         | -                                                |
| 11 September 2007                            | 1 August 2011    | \$0.39         | -                               | 1,050,000                      | -                                | -                                | 1,050,000                         | -                                                |
|                                              |                  |                | 30,875,000                      | 2,100,000                      | 250,000                          | 4,225,000                        | 26,400,000                        | 21,400,000                                       |
| Weighted average exercise price              |                  |                | \$0.27                          | \$0.39                         | \$0.20                           | \$0.20                           | \$0.24                            | \$0.23                                           |

## Notes to the Financial Statements

### 30 June 2009

#### 30. Share-based payments (continued)

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2009 was \$Nil (2008 - \$0.20).

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.30 years (2008 – 1.30 years).

##### *Fair value of options granted*

The assessed fair value at grant date of options granted during the year ended 30 June 2009 was Nil cents per option (2008 – 20 cents). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

#### 31. Financial Risk Management

For the period 8th February 2008 to 9th February 2011 the group has been in administration. The current directors were not the directors during any part of the financial year end for the 30 June 2009. Therefore, the current directors are unable to assess the financial risk management policies that existed at 30 June 2009.

#### 32. Company Details

##### *The registered office is:*

C/- Bentleys  
Level 1,12 Kings Park Road  
West Perth WA 6005  
Telephone: 08 9226 4500  
Facsimile: 08 9226 4300

##### *The principal place of business is:*

C/- Bentleys  
Level 1,12 Kings Park Road  
West Perth WA 6005  
Telephone: 08 9226 4500  
Facsimile: 08 9226 4300

## Directors' declaration

Due to the existence of the limitations on the preparation of the financial report as discussed in Note 1, the directors of the company are unable to declare that;

1. The financial statements set out on pages 14 to 55 are in accordance with the Corporations Act 2001 and:
  - a) comply with Accounting Standards; and
  - b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company;
2. Due to the existence of the limitations on the preparation of the financial report as discussed in Note 1, the Chief Executive Officer and Chief Finance Officer are unable to declare that;
  - a) the financial records of the company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes for the financial year give a true and fair view;

In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



---

Ranko Matic  
Non-Executive Chairman

Dated this 17 day of May 2011

17 May 2011

The Directors  
View Resources Limited  
Level 1, 12 Kings Park Road  
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF VIEW RESOURCES LIMITED

As lead auditor of View Resources Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of View Resources Limited and the entities it controlled during the period.



Brad McVeigh  
Director



BDO Audit (WA) Pty Ltd  
Perth, Western Australia

## QUALIFIED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEW RESOURCES LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of View Resources Limited, which comprises the statement of financial position as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement 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 financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Because of the matter discussed in the Basis for Disclaimer of Auditor's Opinion paragraph, we were not able to complete an audit in accordance with Auditing Standards.

### Independence

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

### Basis for Disclaimer of Auditor's Opinion

The company and consolidated entity were placed into administration on 8 February 2008. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company and consolidated entity have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report and hence unable to form an opinion on the financial report.

As stated in Note 1, the Directors are unable to state that the financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.



#### Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of View Resources Limited is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of its 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; and
- (iii) Complying with all the requirements of the International Financial Reporting Standards.

#### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. 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.

#### Basis for Disclaimer of Auditor's Opinion

The company and consolidated entity were placed into administration on 8 February 2008. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the remuneration report. Whilst the books and records of the company and consolidated entity have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the remuneration report.

#### Disclaimer of Auditor's Opinion

In our opinion, Because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the remuneration report of View Resources Limited is in accordance with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'BDO' followed by a stylized signature, possibly 'BMV'.

Brad McVeigh  
Director

Perth, Western Australia  
Dated this 17<sup>th</sup> day of May 2011