



VIEW RESOURCES LIMITED

ANNUAL REPORT

2012

DIRECTORS

Peter O'Malley (Non-Executive Chairman)
William Oliver (Non-Executive Director)
Grant Thomas (Managing Director)

COMPANY SECRETARY

Ranko Matic

REGISTERED OFFICE & CONTACTS

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WEST PERTH WA 6005
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Web: www.viewresources.com.au
Stock Exchange Listing - ASX Code: VRE

SOLICITORS

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AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
PERTH WA 6000
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SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
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DIRECTORS' REPORT

Your directors present their report, together with the financial statements on the consolidated entity, consisting of View Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2012.

DIRECTORS

The names of directors in office at any time during or since the end of the year are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION	DATE APPOINTED / RESIGNED
Mr William Oliver	Non-Executive Director	
Mr Simon Mackinnon	Non-Executive Director	Resigned 1 April 2012
Mr Ranko Matic	Non-Executive Chairman	Resigned 1 April 2012
Mr Peter O'Malley	Non-Executive Chairman	Appointed 1 April 2012
Mr Grant Thomas	Executive Director	Appointed 19 March 2012

COMPANY SECRETARY

Mr Ranko Matic held the position of company secretary at the end of the financial year.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF ACTIVITIES

During the year the principal continuing activities of the consolidated entity consisted of mineral exploration and mineral extraction via joint venture arrangements.

On 15 November 2011, the Company announced that it had entered into a binding heads of agreement with the shareholders of Oshpur Limited (a company incorporated in Hong Kong), to acquire 100% of the shares in Oshpur. Oshpur in turn holds a 90% interest in the Bel-Alma and Sary-Mogol projects located in southern Kyrgyzstan via its interest in a Kyrgyzstan incorporated company, Asia Pacific Resources Limited. The acquisition was successfully completed on 12 March 2012.

On 18 June 2012, View Resources announced it had entered into an agreement to acquire the interests in three prospective coking coal tenements (Tuyuk-Kargasha, Kokkia and Min-Teke tenements) located in the Uzgen coal basin in Kyrgyzstan. The agreement has View Resources acquiring 80% of the issued shares of Kokkia Coal Limited (an entity incorporated in Hong Kong). Kokkia holds a 100% interest in the three tenements, through two incorporated wholly owned subsidiaries.

The transaction is yet to be fully completed, with several of the conditions precedent still outstanding, predominantly the issue of shares and performance shares to the vendors of Kokkia Coal Limited. The issue of the shares and performance shares required shareholder approval which is being sought at a General Meeting to be held on 4 October 2012.

There were no other significant changes in the nature of the activities of the group during the year.

OPERATING RESULTS

The consolidated profit of the consolidated entity after providing for income tax amounted to \$642,397 (2011: \$38,347,749).

DIVIDENDS

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

REVIEW OF OPERATIONS

Kyrgyzstan Coal Projects

During the year the Company entered into two separate agreements to acquire majority interests in five prospective coal assets in Kyrgyzstan. In November 2011 the Company entered into a binding Heads of Agreement to acquire a 90% interest in two prospective coal assets located in Southern Kyrgyzstan, being the Sary-Mogol and Bel-Alma licenses (collectively to as the Alai Range Projects).

During the Quarter, the Company entered into a conditional agreement to acquire an 80% interest in three prospective coking and thermal coal tenements (Tuyuk-Kargasha, Kokkia and Min-Teke) located in the Uzgen coal basin in Kyrgyzstan (collectively referred to as the Uzgen Basin Projects). The details of these agreements can be found in ASX announcements dated 15th November 2011 and 18th June 2012.

Key Highlights of the Uzgen Basin Projects include:

- Three adjacent tenements covering an area of 9,763ha (97.6km²); with the Tuyuk-Kargasha and Kokkia tenements being contiguous.
- Almost all of the Project area is underlain by Jurassic sediments, the principal host of coal mineralisation in Kyrgyzstan.
- Outcropping coal can be found in all tenements, along with several small scale adits and open pits.
- The coal bearing formation is up to 250m thick. The formation contains around 50 layers of coal with individual layers up to 8.7m thick. These layers have been grouped into 4 main groups/seams. Interbedded waste layers are on the order of 0.1-0.3m thick.
- Four prospects (the **Prospects**) have been delineated within the Tenements – Tuyuk, Kargasha, Kokkia and Min-Teke (Figure 1).
- Extensive exploration was completed on the Project in the Soviet era, including drilling of 60 cored drillholes at the Tuyuk and Kargasha Prospects for 28,920m, approximately 15,000 metres of trenching and adits and construction of a semi-industrial scale plant to test coking properties.

The Company has derived an Exploration Target for the Project of between 500 and 700 million tonnes of coal.¹ This Exploration Target is a total of the Exploration Targets for the individual Prospects as shown in Table 1. The Exploration Target is based on the results of historical exploration (including drilling) carried out between 1941 and 1953 which is reported in Kashirin, Ibraimov and Karabalaev (1975)² amongst other sources.

¹ Note, the potential quantity is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

² Kashirin F.T., Ibraimov I.M. Karabalaev K.K., 1975. Uzgen Coal Basin. Ilim, Frunze, 167 pp.

Table 1. Exploration Targets and Summary Information for the Prospects

Prospect	Exploration Target (million tonnes)	Coal Seam Total Thickness	Expected Coal Type	Moisture (%)	Ash (%)	Sulphur (%)	Calorific Value (kcal/kg)
Tuyuk	267 – 335	8.3 metres (across 9 seams)	Bituminous Coking Coal	0.9 – 6.0	3.0 – 10.0	0.4 – 0.9	7700 - 8700
Kargasha	115 – 140	15.3 metres (across 14 seams)	Bituminous Coking Coal				
Kokkia	114 – 198	11.2 metres (across 11 seams)	Thermal and Coking Coal	0.7 – 5.0	5.0 – 15.0	0.4 – 0.9	7800 - 8500
Min-Teke	5 – 27	To be determined	Thermal	3.0 – 10.0	10.0 – 25.0	0.4 – 0.9	6200 - 7700
Total	501 – 700						

The Company has commenced a drilling and sampling programme which, if successful, may result in the definition of a JORC compliant resource for one or more of the Prospects contained within the Tenements. This drilling programme will also provide important detail on the quality of the coal present at the Project and will be used to validate the extensive drilling results from Soviet era exploration programmes.

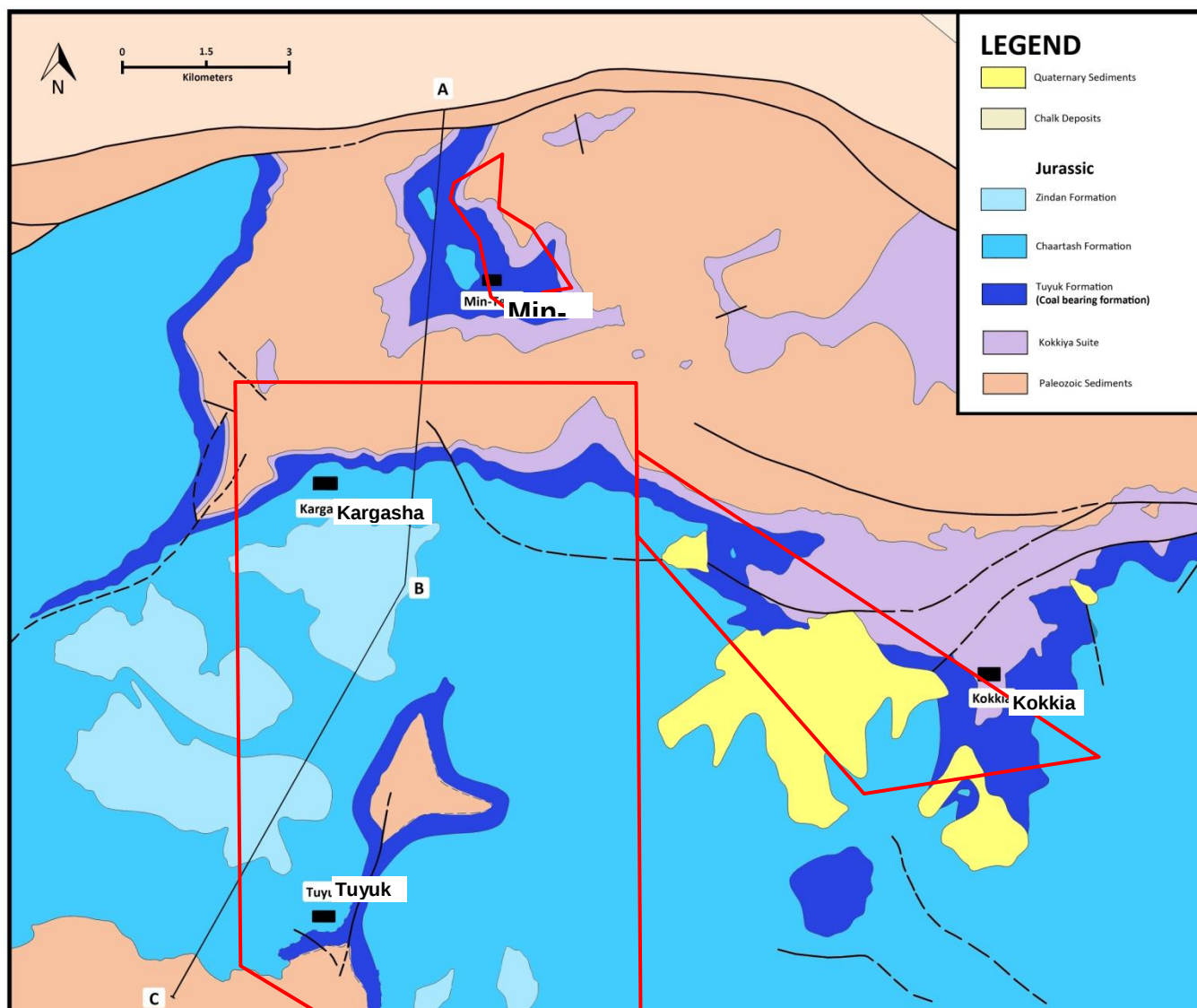
There are currently 3 drilling rigs in operation at the Uzgen Basin Projects and the Company expects to complete 5,000 metres of drilling during 2012 (calendar year). Drilling rates achieved to date have been excellent and core recoveries were typically greater than 95% for all coal seams and rock types. A downhole geophysical logging crew is also onsite and will complete a full suite of logs within DD12TK001 and subsequent drillholes. The geophysical logs will help correlate rock types and individual coal seams across the entire Tuyuk-Kargasha Prospect.

On 23rd August 2012 the Company announced that its first drillhole DD12TK001 had successfully intersected coal seams within the Tuyuk Formation, the primary host for coal within the Uzgen Basin. Approximately twelve (12) individual coal seams were intersected with the largest two seams being approximately 2.0 - 2.5m thick from visual inspection / hand measurements. Visual inspection indicated that the coal is hard black coal as can be seen in the photograph below. DD12TK001 was designed as a twin to a Soviet era drill hole (no. 40 on Figure 1) and the lithologies intersected within DD12TK001 compare well with the previous drillhole information. Of note is the fact that thicker coal seams were intersected in DD12TK001 when compared to the historical drillhole, although fewer coal seams were logged resulting in a similar total thickness of coal being intersected in both holes (approximately 7 metres).

The Sary-Mogol project has a development/production licence that is valid until 28 July 2016, with the yearly works agreement due for renewal prior to 31 January 2012. The production license at the Sary-Mogol project covers the area of previous mining activity and is an area 8 hectares in size. The previous owners of the Sary-Mogol project were producing and selling thermal coal from an open cut mine. During the year the Company commenced works required as a precursor to the re-commencement of mining including topographic survey, geological mapping, environmental assessments and community consultation.

The Bel-Alma project has an exploration licence and works agreement that are both valid until 26 July 2013. The Bel-Alma project is potentially a large tonnage, high quality thermal coal project. The total licence area is 278 hectares. During the year the Company undertook an assessment of potential access routes to the project along with community consultations to ensure road construction and exploration activities do not negatively impact on the region.

Figure 1: Geology Map of the northern Uzgen Basin showing the location of the Kargasha, Tuyuk, Min-Teke and Kokkia Prospects. The Tenements are shown in red.



Close up of selected diamond drill core from DD12TK001 at Tuyuk-Kargasha Prospect



Carnilya Hill Joint Venture

View Resources (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL (**Joint Venture**). Mincor Resources NL (**Mincor**, ASX:MCR) is the operator of the Carnilya Hill JV. The tenements covered by the Carnilya Hill Joint Venture (JV) include Mining Licences M26/47, M26/48, M26/49 and M26/453.

Production from the Carnilya Hill Mine ceased during the 2012 financial year as planned. At the completion of mining, a total of 40,900 tonnes of ore had been mined in FY2011/2012, of which 12,270 tonnes are attributable to View Resources. All ore from Carnilya Hill is treated and the resultant concentrate acquired by BHP Billiton Nickel West Pty Ltd under an ore tolling and concentrate purchase agreement and the Company has received final payments from all ore parcels treated during the financial year.

The Carnilya Hill site has been placed on care and maintenance during the quarter. The Joint Venture will incur nominal running costs to ensure the site is kept secure, safe and well maintained.

The Company would like to thank all those involved in the Joint Venture, especially those on site, who helped make Carnilya Hill a safe and successful operation.

Exploration will continue on the tenements comprising the Joint Venture, managed by Mincor as the Operator of the Joint Venture. Results from exploration programmes will be released as they become available.

Regional Nickel Exploration

The Company continues to carry out data compilation and target generation works on its granted tenement E39/1641 and application E39/1684 in the Eastern Goldfields region of Western Australia. The tenements are located near to Minara Resources' Murrin Murrin mine and the NiWest operation currently under development by GME Resources Ltd and are believed to have potential for both nickel laterite and nickel sulphide mineralisation. The Company aims to commence exploration activities on the tenements shortly following a review of the historical data. In due course, the Company may consider spinning out its nickel interests into a new public vehicle listed on the ASX.

Competent Person's Statement

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Grant Thomas, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Thomas is an employee of View Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thomas consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 15 November 2011, the Company announced that it had entered into a binding heads of agreement with the shareholders of Oshpur Limited (a company incorporated in Hong Kong), to acquire 100% of the shares in Oshpur. Oshpur in turn holds a 100% interest in the Bel-Alma and Sary-Mogol projects located in southern Kyrgyzstan via its interest in a Kyrgyzstan incorporated company, Asia Pacific Resources Limited. The acquisition was successfully completed on 12 March 2012.

At the Company's general meeting held on 30 January 2012, Shareholders approved the terms of the Capital Raising and the Acquisition. The prospectus was issued 29 February 2012 for the offer of up to 150,000,000 Shares at an issue price of \$0.01 per Share in order to raise \$1,500,000. The allotment of shares was completed on 16 March 2012.

On 18 June 2012, View Resources announced it had entered into an agreement to acquire the interests in three prospective coking coal tenements (Tuyuk-Kargasha, Kokkia and Min-Teke tenements) located in the Uzgen coal basin in Kyrgyzstan. The agreement has View Resources acquiring 80% of the issued shares of Kokkia Coal Limited (an entity incorporated in Hong Kong). Kokkia holds a 100% interest in the three tenements, through two incorporated wholly owned subsidiaries.

The transaction is yet to be fully completed, with several of the conditions precedent still outstanding, predominantly the issue of shares and performance shares to the vendors of Kokkia Coal Limited. The issue of the shares and performance shares required shareholder approval which is being sought at a General Meeting to be held on 4 October 2012.

FINANCIAL POSITION

The net assets of the consolidated group have increased to \$7,674,658 as at 30 June 2012, an increase of \$2,017,104 from net assets of \$5,657,554 at 30 June 2011.

The consolidated group's net working capital, being current assets less current liabilities is \$2,450,167 (2011: \$4,187,354).

EVENTS AFTER THE REPORTING PERIOD

On 29 August 2012, the Company secured binding commitments from sophisticated and institutional investors to subscribe for 200 million shares at an issue price of 2 cents per share to raise \$4 million before costs. On 13 September 2012, 95,000,000 were issued at 2 cents per share as a result of tranche 1 placement with total amount raised of \$1.9 million before costs. The tranche 2 placement will involve the issuing of an additional 105 million shares, to raise \$2.1 million (before costs) and will be completed upon shareholder approval, which is being sought at the General Meeting to be held on 4 October 2012.

On 29 August 2012, the Company announced a proposed name change to Celsius Coal Limited (ASX: CLA) which is to be approved at the General Meeting.

Other than the above, the directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.



DIRECTORS' REPORT

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 REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial year. The directors will reassess this position as and when the need arises.

INFORMATION ON DIRECTORS

Mr Peter O'Malley Non-Executive Chairman

Qualifications Graduate of University of St John's School of Law and Siena College, Member of the Bar in the State of New York and New Jersey

Experience Peter O'Malley is the Founding Partner of Kenosis Capital Partners, an international merchant banking and advisory firm focused on the global natural resources sector.

Prior to founding Kenosis Capital Partners, Mr O'Malley was Head of the Asian Natural Resources investment banking practice at Deutsche Bank and more recently at HSBC.

Prior to joining Deutsche Bank and HSBC, Mr O'Malley was a senior energy and natural resources sector banker at Credit Suisse First Boston based in New York and Johannesburg. During more than 21 years in investment banking, Mr O'Malley led the origination and execution of major mergers and acquisitions, equity and debt capital markets, and structured finance transactions in the metals and mining and oil and gas and sectors.

Interest in Shares and Options 5,000,000 fully paid ordinary shares

Directorships held in other listed entities Nil

Mr Grant Thomas Managing Director

Qualifications AusIMM

Experience Mr Thomas 29 years professional experience covers exploration and resource evaluation and valuations for many minerals, including iron ore, gold, copper, lead, zinc, uranium, fluor spar and coal in Australia, China, South Africa, Tajikistan, Kazakhstan, Brazil and Mongolia.

More recently, Mr Thomas has consulted for AsiaMin Consulting Limited (HK) primarily as a Competent Person and Valuer to various international and Chinese coal companies listing on the Hong Kong Stock Exchange. In this role, Mr Thomas completed Technical and Valuer reports, including JORC conversions, for several coal projects in Inner Mongolia and Xinjiang provinces China and Tajikistan.

Mr Thomas' expertise includes exploration and mining tenement acquisition; mineral resource

evaluations and valuations, budgets and strategy plans; liaising with Australian and international Mines Departments, negotiating with foreign governments and joint venture partners; statutory and Stock Exchange reports; and presentations to companies, stockbrokers and financial institutions.

Interest in Shares and Options

Nil

Directorships held in other listed entities

Nil

Mr Bill Oliver

Director (Non-executive)

Qualifications

BSc (Hons), GDipAppFin (FINSIA), MAIG, MAusIMM.

Experience

Mr Oliver was appointed to the position of director on 23 December 2011. 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.

Interest in Shares and Options

4,000,000 ordinary shares

Directorships held in other listed entities

Non-Executive Director of Signature Metals Ltd (since 1 October 2008).

Mr Ranko Matic

Company Secretary

Qualifications

B.Bus, CA

Experience

Over 20 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Ranko has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. He is a Director of a Chartered Accounting firm and a Corporate Advisory company based in Perth, Western Australia and has specialist expertise and exposure in the areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Ranko has been involved in an advisory capacity in over 40 initial public offerings on the ASX in the last 10 years, as well as several recapitalisations of public listed companies.

Interest in Shares and Options

3,000,000 ordinary shares.

Directorships held in other listed entities

Current Non-Executive Director of East Energy Resources Ltd (since 13 July 2007).
Current Non-Executive Director of Core Services Group Limited (since 6 Feb 2012)



DIRECTORS' REPORT

MEETING OF DIRECTORS

Name	Number of meetings	Number eligible to attend	Number attended
William Oliver	3	3	3
Ranko Matic	3	2	2
Simon Mackinnon	3	2	2
Grant Thomas	3	1	1
Peter O'Malley	3	1	1

There were 3 directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The Consolidated Entity does not have a formally constituted audit committee or remuneration committee as the board considers that the Consolidated Entity's size and type of operation do not warrant such committees.

NON-AUDIT SERVICES

An amount of \$28,254 was paid to RSM Bird Cameron for corporate advisory services. Further details are set out in Note 16 of the financial statements.

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 19 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 2012, all directors and the specified executives of the consolidated group 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. The premiums for the directors amounted \$13,467 (inc. GST).

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 50.

AUDITOR

RSM Bird Cameron were appointed as the Group's auditors at the 2011 Annual General Meeting and continues in office in accordance with section 327 of the *Corporations Act 2001*.

SHARES UNDER OPTION

At the date of this report there are 170,000,000 unissued ordinary shares in respect of which options are outstanding.

Expiry date	Grant Date	Exercise price (cents)	Number of options
31 March 2014	23 February 2011	1	170,000,000
Total number of options outstanding at the date of this report			170,000,000

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. There were no shares issued on the exercise of options during the year.

REMUNERATION REPORT (Audited)

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 2012.

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

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.

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

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that View Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market Comparisons

Consistent with attracting and retaining talented executives, the board endorses the use of incentive and bonus payments. The board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors which currently stands at \$300,000 per annum, as approved by shareholders at the Annual General Meeting on 21 November 2006. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Performance-based Remuneration

Subject to Shareholder approval at the General Meeting on 4 October 2012, The Company has established a Performance Rights Plan (PRP) to provide ongoing incentives to Directors, Executives and Employees of the company.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Company Performance, Shareholder Wealth and Directors and Executives Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executives performance. Currently, directors and executives are encouraged to hold shares in the Company to ensure the alignment of personal and shareholder interests. The company currently does not offer performance based remuneration during the exploration phase of operations. This policy may change once the exploration phase is complete and the company is generating revenue. At present, the existing policy is not impacted by the company's performance, including earnings and changes in shareholder wealth.

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

	2008	2009	2010	2011	2012
Revenue (\$)	7,109,642	272,771	362,329	149,904	560,844
Net profit/(loss) after income tax (\$)	(100,452,964)	(5,659,139)	6,865,934	38,347,749	642,397
Share price at year end (cents/share)	Suspended	Suspended	Suspended	0.014	0.024
Dividends paid (cents/share)	-	-	-	-	-

B Details of remuneration (audited)

Amounts of remuneration

The remuneration for each director and each executive officer of the Company receiving the highest remuneration during the year was as follows:

2012

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Performance Related	
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Other	Equity	Options	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Mr G Thomas	78,360	-	-	-	7,052	-	-	-	85,412	-
Mr P O'Malley (1)	18,750	-	-	-	-	-	-	-	18,750	-
Mr W Oliver (2)	42,000	-	-	-	-	-	-	-	42,000	-
Mr R Matic (3)	31,500	-	-	-	-	-	-	-	31,500	-
Mr S Mackinnon (4)	31,500	-	-	-	-	-	-	-	31,500	-
	202,110	-	-	-	7,052	-	-	-	209,162	-

¹Cash from other activities paid to Mr O'Malley are paid to Kenosis Capital Partners, a company with which Mr O'Malley is a founding partner. The payments are for advisory services on the global natural resource sector.

² Cash from other activities paid to Mr Oliver are paid to Billandbry Consulting Pty Ltd a company with which Mr Oliver is a shareholder and director. The payments are for the provision of geological consulting services and disclosed in Note 15 (d) of these financial statements.

³ Cash from other activities paid to Mr Matic are paid to Bentleys (WA) Pty Ltd and Capital and Corporate Advisors Pty Ltd, company's with which Mr Matic is a shareholder and director. The payments are for the provision of tax advisory services, corporate secretarial and accounting services and disclosed in Note 15 (d) of these financial statements. Note: Mr Matic resigned 1 April 2012, thus although KMP during the year he was not KMP at year end.

⁴Mr Mackinnon resigned 1 April 2012, thus although KMP during the year he was not KMP at year end.

2011

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Remuneration Consisting of	
	Cash, salary & Commissions	Cash Profit Share	Non-Cash Benefit	Other	Super-annuation	Other	Equity	Options	Performance Related	Options
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Mr W Oliver	16,500	-	-	-	-	-	-	-	16,500	-
Mr R Matic	16,500	-	-	-	-	-	-	-	16,500	-
Mr S Mackinnon	16,500	-	-	-	-	-	-	-	16,500	-
	49,500	-	-	-	-	-	-	-	49,500	-



DIRECTORS' REPORT

C Service agreements (audited)

There were no key management personnel that have or had service agreements for the year ended 30 June 2012, other than as disclosed below.

Employment Contracts Of Directors

The employment conditions of the managing director, Mr Grant Thomas, are formalised in an executive service agreement. Mr Thomas' agreement has no fixed term. Any party may terminate the agreement by providing 3 months notice. The Company can also terminate the agreement summarily, and without notice or compensation, in circumstances of serious misconduct or breach by the Executive.

Mr O'Malley and Mr Oliver are not employed on a formal contract.

The below is as at the date of the financial report.

Key Management Person	Term of Agreement	Base Salary (excludes GST) \$ p.a.	Termination Benefit
Grant Thomas	No fixed term	350,000	3 months
Peter O'Malley	No fixed term	75,000	Nil
William Oliver	No fixed term	60,000	Nil

D Share-based compensation (audited)

Options

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

END OF REMUNERATION REPORT

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

Grant Thomas
Managing Director

Dated this 28th day of September 2012



CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

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

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

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

	RECOMMENDATION	COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Adopted. The Company's Corporate Governance Policy includes a Board Charter, which discloses the specific responsibilities of the board.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Adopted. The board will monitor the performance of senior management, including measuring actual performance of senior management against planned performance. The board has adopted a policy to assist in evaluating Board performance under section 9 of its Corporate Governance Policies (Performance Evaluation Practices).
1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	Adopted. Board Charter available at the Company's website
2.	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	Adopted. The Company has 2 independent Directors from a total of three Directors.
2.2	The chairperson should be an independent director.	Adopted. The Chairman is Mr Peter O'Malley who is an independent Director.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Adopted. The Company has appointed Mr Grant Thomas as Managing Director.
2.4	The board should establish a nomination committee.	Not Adopted. The Board has not established a nomination committee. Given the present size of the Company, the Board has decided that a nomination committee is not appropriate. The functions of the nomination committee are carried out by the full Board.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	Adopted. The chairman will review the composition of the Board and the performance of each Director to ensure that it continues to have a mix of skills and experience necessary for the conduct of the company's activities. Any new directors will receive an induction appropriate for his/her experience.
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Adopted. The following material is in the Company's Corporate Governance Policies which is available on the Company's website: • A description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors; • The charter of the nomination committee; and • The board's policy for the nomination of directors.

3.	<i>Promote ethical and responsible decision-making</i>	
3.1	Establish a code of conduct and disclose the code or a summary as to the code as to: (a) the practices necessary to maintain confidence in the company's integrity; (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and (c) The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Adopted. The Board has adopted a written code of conduct which is included in the Corporate Governance Policies and is posted on the company's website. This will provide a framework for decisions and actions in relation to ethical conduct in employment.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them	Not Adopted. Currently, due to its size and operations the Board has yet to establish a diversity policy. This is an area which will continue to be reviewed, with a policy to be established, as soon as appropriate.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Not Adopted. Due to the size of the company, there have been no measurable objectives set.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Adopted. There are currently 2 permanent employees at View Resources (including the Managing Director) and two non executive directors. None of these positions are held by women.
3.5	Provide the information indicated in <i>Guide to Reporting on Principle 3</i> .	Adopted. The information is provided as above with the Company's Code of Conduct publicly available in the Corporate Governance Policies posted on the company's website. When the Company adopts a diversity policy, it will be publicly available in the Corporate Governance Policies posted on the company's website.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	Not adopted. The Board has not established a separate audit committee. Given the present size of the Company, the Board has decided that an audit committee is not appropriate. The functions of the audit committee are carried out by the full Board.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	Not adopted. The Board has not established a separate audit committee. Given the present size of the Company, the Board has decided that an audit committee is not appropriate. The functions of the audit committee are carried out by the full Board.
4.3	The audit committee should have a formal charter.	Adopted. The Audit Committee Charter is publicly available in the Corporate Governance Policies that are posted on the company's website. Although the company does not have a separate audit committee with the Board fulfilling that role, the charter is utilised by the Board as appropriate.

4.4	Provide the information indicated in <i>Guide to Reporting on Principle 4</i> .	Adopted. The required information has been provided above. The following material is publicly available in the Corporate Governance Policies posted on the company's website: the Audit Committee Charter, which includes information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.
5.	<i>Make timely and balanced disclosure</i>	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Adopted. The Company has adopted a Continuous Disclosure Policy applicable to all Directors of the Company and senior management.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	Adopted. The Company's Continuous Disclosure Policy is publicly available in the Corporate Governance Policies posted on the company's website.
6.	<i>Respect the rights of shareholders</i>	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Adopted. The Company places a high priority on communication with Shareholders and is aware of the obligations it has under the Corporations Act and the Listing Rules to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities. The Company has adopted a Shareholders Communication Policy which is publicly available in the Corporate Governance Policies posted on the company's website, which states that information is communicated to shareholders through: - continuous disclosure to ASX of all material information; - periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of exploration, production and corporate activities (if required); - notices of meetings and explanatory material; - the annual general meeting; and - the Company's web-site.
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	Adopted. The Company's Shareholders Communication Policy is publicly available in the Corporate Governance Policies posted on the company's website.
7.	<i>Recognise and manage risk</i>	
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Adopted. The Company has adopted a Risk Management and Internal Compliance and Control Policy.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its business risks.	Adopted. The Board and Managing Director has and will continue to design and implement risk management and internal control systems and provide reports at the relevant time.

7.3	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: (a) the statement given in accordance with Recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and (b) the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Adopted. The Board has received a Section 295A declaration
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	Adopted. The Company's risk Management and Internal Compliance and Control Policy is publicly available in the Corporate Governance Policies posted on the company's website.
8.	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	Not adopted. The Board has not established a separate remuneration committee. Given the present size of the Company, the Board has decided that a remuneration committee is not appropriate. The functions of the remuneration committee are carried out by the full Board.
8.2	Structure the remuneration committee so that it consists of: (a) a majority of independent directors; (b) an independent chairperson; and (c) at least three members.	Not adopted. The Board has not established a separate remuneration committee. Given the present size of the Company, the Board has decided that a remuneration committee is not appropriate. The functions of the remuneration committee are carried out by the full Board.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Adopted.
8.4	Provide the information indicated in <i>Guide to Reporting on Principle 9</i> .	Adopted. The information required has been reported as per above. The Company's Remuneration Committee Charter and the Company's Security's Trading Policy are publicly available in the Corporate Governance Policies posted on the company's website.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012



		Consolidated	
	Notes	2012	2011
		\$	\$
Revenue from continuing operations			
Revenue	2	226,566	42,795,681
Share of net profits of associate	10	334,278	2,893,200
Impairment reversal/(impairment)	10	1,135,535	(1,509,869)
Depreciation expense		(3,037)	-
Director fees and benefits expense		(209,162)	(49,500)
Finance costs		-	(728,026)
Legal and other professional fees		(457,403)	(365,143)
Administrators costs		-	(178,976)
DOCA payments		-	(4,300,280)
Other expenses		(384,380)	(63,083)
Profit before income tax		642,397	38,494,004
Income tax expense	3	-	-
Profit from continuing operations		642,397	38,494,004
(Loss) from discontinued operations	4	-	(146,255)
Profit for the year		642,397	38,347,749
Other comprehensive income			
Exchange differences on translating foreign controlled entities		(13,255)	-
Total comprehensive (loss) for the year		(13,255)	-
Total comprehensive profit attributable to owners of the parent entity		629,142	38,347,749
Earnings per share from continuing and discontinued operations			
		Cents	Cents
Basic earnings per share	21	0.07	12.03
Diluted earnings per share	21	0.06	10.15
Earnings per share from continuing operations:			
Basic earnings per share	21	0.07	12.07
Diluted earnings per share	21	0.06	10.18
(Loss) per share from discontinued operations:			
Basic (loss) per share	21	-	(0.04)
Diluted (loss) per share	21	-	(0.03)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**



		Consolidated	
	Notes	2012	2011
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,494,580	4,682,565
Trade and other receivables	6	86,877	7,347
Other assets	7	42,813	-
Total current assets		2,624,270	4,689,912
Non-current assets			
Other non-current assets	7	2,519,907	-
Deferred exploration expenditure	8	2,435,632	13,139
Plant and equipment	9	75,734	-
Investment accounted for using the equity method	10	193,218	1,457,061
Total non-current assets		5,224,491	1,470,200
Total assets		7,848,761	6,160,112
LIABILITIES			
Current liabilities			
Trade and other payables	11	174,103	502,558
Total current liabilities		174,103	502,558
Total liabilities		174,103	502,558
Net assets		7,674,658	5,657,554
Equity			
Issued capital	12	5,336,646	3,948,683
Reserves		26,820	40,076
Retained earnings		2,311,192	1,668,795
Total equity		7,674,658	5,657,554

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012



	Issued Capital	Retained Earnings/ (Accumulated Losses)	Foreign Currency Translation Reserve	Other Reserves	Total
Balance at 1 July 2010	138,078,582	(178,069,995)	-	3,312,280	(36,679,133)
Profit for the year	-	38,347,749	-	-	38,347,749
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	38,347,749	-	-	38,347,749
Transactions with owners, directly in equity			-	-	
Issue of share capital	4,100,180	-	-	-	4,100,180
Capital raising costs	(151,317)	-	-	-	(151,317)
Share based payment	-	-	-	40,076	40,076
Reduction of share capital	(138,078,762)	141,391,041	-	(3,312,280)	(1)
Balance at 30 June 2011	3,948,683	1,668,795	-	40,076	5,657,554
Balance at 1 July 2011	3,948,683	1,668,795	-	40,076	5,657,554
Profit for the year	-	642,397	-	-	642,397
Other comprehensive (loss)	-	-	(13,255)	-	(13,255)
Total comprehensive income / (loss) for the year	-	642,397	(13,255)	-	629,142
Transactions with owners, directly in equity			-	-	
Issue of share capital	1,500,000	-	-	-	1,500,000
Capital raising costs	(112,038)	-	-	-	(112,038)
Balance at 30 June 2012	5,336,645	2,311,192	(13,255)	40,076	7,674,658

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 30 JUNE 2012**

		Consolidated	
	Notes	2012	2011
		\$	\$
Cash flows from operating activities			
Expenditure on mining interests		(5,056,090)	-
Payments to suppliers and employees		(1,383,715)	(1,547,537)
Interest received		208,972	152,773
Payments to suppliers, DOCA		-	(4,541,446)
Net cash (outflow) from operating activities	22	(6,230,833)	(5,936,210)
Cash flows from investing activities			
Purchase of property, plant and equipment		(78,771)	-
Net proceeds from associates		2,733,656	5,165,893
Cash paid as result of loss of subsidiary	22(b)	-	(623,609)
Net cash inflow from investing activities		2,654,885	4,542,284
Cash flows from financing activities			
Proceeds from issue of shares		1,500,000	4,100,000
Payment of capital raising costs		(112,037)	(151,317)
Repayment of borrowings		-	(7,380,506)
Net cash (outflow) / inflow from financing activities		1,387,963	(3,431,823)
Net (decrease) in cash held		(2,187,985)	(4,825,749)
Cash at the beginning of the financial year		4,682,565	9,508,314
Cash at the end of the financial year	5	2,494,580	4,682,565

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

These consolidated financial statements and notes represent those of View Resources Limited and its controlled entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, View Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28th September 2012 by the directors of the company

1. Summary of significant accounting policies

Basis of Preparation

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

In the year ended 30 June 2012, the company has reviewed all of the new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the company that there is no impact, material or otherwise, of the new Standards and Interpretations on its business and therefore, no changes are required to its accounting policies. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Australian Accounting Standards set out in accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Comparatives

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

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by View Resources Limited at the end of the reporting period. A controlled entity is any entity over which View Resources has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist where the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 19 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

1. Summary of significant accounting policies (continued)

c) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

d) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

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

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

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

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

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

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

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

Tax consolidation

View Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. 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.

1. Summary of significant accounting policies (continued)

e) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are present in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised directly in the statement of comprehensive income except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

income and expenses are translated at average exchange rates for the period; and

retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

f) 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.

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.

g) 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.

1. Summary of significant accounting policies (continued)

h) Plant and equipment

Plant and equipment are measured on the cost basis.

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.

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 statement of comprehensive income during the financial period in which they are incurred.

The depreciation amount of all plant and equipment 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.

The expected useful lives are as follows:

- Plant and equipment 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

i) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset is impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount recognised immediately in the profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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.

j) Investments in Associates

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the relation to the Group's investment in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are shown at Note 10.

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

l) Borrowings

Loans and debentures are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

On issue of convertible notes, the fair value of the liability component, being the obligation to make future payments of principal and interest to noteholders, is calculated using a market interest rate for an equivalent non-convertible note. The residual amount, representing the fair value of the conversion option, is included in equity as other equity securities with no recognition of any change in the value of the option in subsequent periods. The liability is included in borrowings and carried on an amortised cost basis with interest on the notes recognised as borrowing costs on an effective yield basis until the liability is extinguished on conversion or maturity of the notes.

m) 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.

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 comprehensive income.

n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

o) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

p) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

Summary of significant accounting policies (continued)

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

1. Summary of significant accounting policies (continued)

q) 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 ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

r) 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.

s) 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.

t) Issued capital

Ordinary shares are classified as equity.

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

u) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

1. Summary of significant accounting policies (continued)

t) Provisions (continued)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

v) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

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

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does *not* designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

ii. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

1. Summary of significant accounting policies (continued)

u) Financial instruments (continued)

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

De-recognition

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

w) New accounting standards and interpretations

At the date of this financial report the following accounting standards, which may impact the consolidated entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013 (likely to be extended to 2015 by ED 215)
AASB 10	<i>Consolidated Financial Statements</i>	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	<i>Joint Arrangements</i>	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	<i>Disclosure of Interests in Other Entities</i>	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013
AASB 127	<i>Separate Financial Statements</i>	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013

1. Summary of significant accounting policies (continued)

v) New accounting standards and interpretations (continued)

Reference	Title	Summary	Application date (financial years beginning)
AASB 128	<i>Investments in Associates and Joint Ventures</i>	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
AASB 119	<i>Employee Benefits</i>	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1 January 2013
IFRIC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>	This Interpretation clarifies the requirements for accounting for stripping costs in the production phase of a surface mine, such as when such costs can be recognised as an asset and how that asset should be measured, both initially and subsequently.	1 January 2013

The entity has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

x) Critical accounting judgments, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

No areas of interest have been abandoned at the date of this report.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

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.

Share based payment transactions

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012 (continued)

Segment Information

The consolidated entity operates within two reportable segments in 2011, being mineral exploration and extraction, and discontinued operations. The consolidated entity operates within two geographical segments within mineral exploration and extraction in 2012, being Australia and Kyrgyzstan. The segment information provided to the chief operating decision maker is as follows:

2012	Exploration activities AUSTRALIA \$	Exploration Activities KYRGYZSTAN \$	Total continuing operations \$	Consolidated \$
Sales to external customers	-	-	-	-
Other revenue	226,566	-	226,566	226,566
Total segment revenue	226,566	-	226,566	226,566
Segment result before income tax	772,128	(129,731)	642,397	642,397
Profit before income tax				642,397
Segment assets	7,396,666	452,095	7,848,761	7,848,761
Total assets	7,396,666	452,095	7,848,761	7,858,761
Segment liabilities	137,310	36,793	174,103	174,103
Total Liabilities	137,310	36,793	174,103	174,103
(Reversal of impairment) of non-current assets	(1,135,535)	-	(1,135,535)	(1,135,535)
Share of net profits of associate	334,278	-	334,278	334,278
2011	Exploration activities AUSTRALIA \$	Total continuing operations AUSTRALIA \$	Discontinuing operation Mining operations \$	Consolidated \$
Sales to external customers				
Other revenue	149,904	149,904	11,143	161,047
Total segment revenue	149,904	149,904	11,143	161,047
Segment result before income tax	38,494,004	38,494,004	(146,255)	38,347,749
Profit before income tax				38,347,749
Segment assets	6,160,112	6,160,112	-	6,160,112
Total assets				6,160,112
Segment liabilities	502,558	502,558	-	502,558
Total Liabilities				502,558
Impairment of non-current assets	1,509,869	1,509,869	-	1,509,869
Share of net profit of associate	2,893,200	2,893,200	-	2,893,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012 (continued)

	Consolidated	
	2012	2011
	\$	\$
2. Other income		
Interest	227,007	149,904
Gain on Deconsolidation of View Gold Pty Ltd - Note 22(b)	-	35,077,165
DOCA liability write-offs	(441)	7,568,612
	<u>226,566</u>	<u>42,795,681</u>

3. Income tax expense

(a) Income tax expense

Current tax	-	-
Deferred tax	-	-
Under (over) provided in prior years	-	-
	<u>-</u>	<u>-</u>

Deferred income tax expense included in income tax expense comprises:

(Increase) in deferred tax assets	(732,158)	(3,942)
Increase in deferred tax liabilities	732,158	3,942
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Tax at the Australian tax rate of 30% (2011 - 30%)	192,719	11,548,201
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Prior year adjustments	-	2,519,227
- Impairment	(340,660)	432,847
- Other non deductible expenses	-	1,290,084
- Other non assessable income	-	-
	<u>(147,941)</u>	<u>15,790,359</u>
Deferred tax (liability)/ asset in respect to losses brought to account	147,941	(15,790,359)
Income tax expense	<u>-</u>	<u>-</u>

The applicable weighted average effective tax rates are

nil%

Balance of franking account at year end

-

(c) Deferred Tax Assets

Tax Losses	26,560,927	29,752,976
Provisions	13,857	92,705
Other	313,247	661,202
Total deferred tax assets	<u>26,888,031</u>	<u>30,506,883</u>
Set-off deferred tax liabilities	(736,100)	(3,942)
Net deferred tax assets	<u>26,151,931</u>	<u>30,502,941</u>
Net deferred tax assets not recognised	<u>(26,151,931)</u>	<u>(30,502,941)</u>

	Consolidated	
	2012	2011
	\$	\$
3. Income tax expense (continued)		
(d) Deferred Tax Liabilities		
Accrued income receivable	5,410	-
Exploration expenditure	730,690	3,942
Total deferred tax liabilities	736,100	3,942
Set-off deferred tax assets	(736,100)	(3,942)
Net deferred tax liabilities	-	-

Tax losses

Unused tax losses for which no deferred tax asset has been recognised	88,536,424	99,176,585
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Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2012 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

4. 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 and this sale was completed in September 2009 when all conditions precedent were met. For the year ended 30 June 2008 the disposal of the asset triggered the discontinuing of its operations in the Mining business segment. View Gold Pty Ltd was deconsolidated on 9 February 2011.

5. Cash and cash equivalents

Cash at bank and in hand	2,494,580	4,682,565
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	Consolidated	
	2012	2011
	\$	\$
6. Trade and other receivables		
CURRENT		
Trade receivables	35,428	-
Other receivables	51,449	7,347
	<u>86,877</u>	<u>7,347</u>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

7. Other assets

CURRENT		
Prepayments	23,968	-
Accrued Income	18,036	-
Other	809	-
	<u>42,813</u>	<u>-</u>
NON-CURRENT		
Loan to Kokkia Coal Ltd	<u>2,519,907</u>	<u>-</u>

8. Deferred exploration expenditure

Expenditure brought forward	13,139	-
Tenements acquired from acquisition of controlled entity	2,131,803	-
Expenditure incurred during the year	290,690	13,139
Expenditure carried forward	<u>2,435,632</u>	<u>13,139</u>

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of the mineral resource.

9. Plant and equipment

	Consolidated	
	2012	2011
	\$	\$
Plant and equipment	78,771	-
Less: accumulated depreciation	(3,037)	-
	<u>75,734</u>	<u>-</u>
Total plant and equipment	<u>75,734</u>	<u>-</u>

Reconciliations

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

	Motor Vehicles	Office Equipment	Plant & Equipment	Total
	\$	\$	\$	\$
Consolidated Carrying amount at 1 July 2010	-	-	20,000	20,000
Asset write-offs	-	-	(20,000)	(20,000)
Carrying amount at 30 June 2011	-	-	-	-
Additions	50,444	26,045	2,282	78,771
Depreciation expense	(2,092)	(30)	(915)	(3,037)
Carrying amount at 30 June 2012	<u>48,352</u>	<u>26,015</u>	<u>1,367</u>	<u>75,734</u>

10. Investments accounted for using the equity method

Investment in Carnilya Joint Venture	193,218	1,457,061
	<u>193,218</u>	<u>1,457,061</u>

(a) Movements in carrying amount

Carrying amount at the beginning of the year	1,457,061	5,200,424
Net cash receipts from investment during the year	(2,733,656)	(5,126,694)
Impairment of investment/(reversal of impairment)	1,135,535	(1,509,869)
Share of profit of associate	334,278	2,893,200
	<u>193,218</u>	<u>1,457,061</u>

During the year, the Group had a 30% interest in Carnilya Hill Farm-in and joint venture for nickel exploration. The interest in the joint venture is controlled by Mincor Resources NL.

10. Investments accounted for using the equity method (continued)

(b) Summarised financial information of associates

Group's Share of:

	Assets	Liabilities	Revenues	Profit/(Loss)
	\$	\$	\$	\$
2012				
Mincor Carnilya Hill (30% Interest in Unincorporated JV)	396,188	202,970	3,232,600	334,278
2011				
Mincor Carnilya Hill (30% Interest in Unincorporated JV)	1,901,451	585,637	10,161,465	2,893,200

The share of contingent liabilities of associate is \$Nil (2011: \$Nil)

	Consolidated	
	2012	2011
	\$	\$
11. Trade and other payables		
Trade creditors	84,379	44,205
Accrued expenses	46,189	18,975
Other creditors	43,535	439,378
	<u>174,103</u>	<u>502,558</u>

12. Contributed equity

1,031,953,670 (2011: 881,953,670) Ordinary shares – Fully paid	5,600,000	145,688,424
Capital raising costs	(263,354)	(3,660,979)
Reduction of capital against losses, net of capital raising costs	-	(138,078,762)
	<u>5,336,646</u>	<u>3,948,683</u>

a) Ordinary Shares

	No. of shares	No. of shares
At the beginning of the reporting period:	881,953,670	439,055,266
– 24 February 2011 – Capital consolidation (i)	-	(417,101,596)
	<u>881,953,670</u>	<u>21,953,670</u>
Shares issued during the year after Capital consolidation		
– 24 February 2011	-	800,000,000
– 24 February 2011	-	50,000,000
– 20 May 2011	-	10,000,000
– 16 March 2012	150,000,000	-
At the end of the reporting period	<u>1,031,953,670</u>	<u>881,953,670</u>

(i) The capital consolidation was undertaken as part of the recapitalisation of the company and DOCA effectuation. The consolidation was on a 1 for 20 basis, leaving 21,953,670 ordinary shares on issue immediately after the consolidation.

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.

12. Contributed equity (continued)

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

- i. For details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 23: Share-based payments.
- ii. For information relating to share options issued to key management personnel during the financial year, refer to Note 23.

c) Capital Management

The objectives of management when managing capital is to safeguard the Group's ability to continue as a going concern, so that the Group may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2012 and 2011 is as follows:

	2012	2011
	\$	\$
Cash and cash equivalents	2,494,580	4,682,565
Trade and other receivables	86,877	7,347
Trade and other payables	(174,103)	(502,558)
Working capital position	<u>2,407,354</u>	<u>4,187,354</u>

13. Acquisition of Osphur Limited and Asia Pacific Resources Limited

On 12 March 2012, the Group acquired 100% of the shares of Osphur Limited, a holding company for Asia Pacific Resources Limited, a wholly owned company incorporated in Kyrgyzstan. It holds a 100% interest in the Bel-Alma and Sary-Mogol projects located in Southern Kyrgyzstan.

The acquisition of Osphur Limited and Asia Pacific Resources Limited is not a business combination, but rather an acquisition of mining tenements.

The consideration paid was US\$2,200,000 (A\$2,131,857) in cash.

14. Interests of Key Management Personnel (KMP)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2012.

The total remuneration paid to KMP of the company and the group during the year are as follows:

	2012	2011
	\$	\$
Short-term employee benefits	202,110	49,500
Post-employment benefits	7,052	-
	<u>209,162</u>	<u>49,500</u>

No compensation was paid in respect to termination benefits.

a) KMP Share Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is Nil (2011: nil).

Share holdings for KMP for the financial year is Nil (June 2011 is nil).

KMP Shareholdings

30 June 2012	Balance at beginning of the year	Granted as remuneration during the year	Issued on exercise of options	Other changes during the year	Balance at end of year
Mr W Oliver	4,000,000			-	4,000,000
Mr R Matic	3,000,000			(3,000,000)*	-
Mr P O'Malley	-			5,000,000	5,000,000
Mr S Mackinnon	10,000,000	-	-	(10,000,000)*	-
Mr G Thomas	-			-	-
	<u>17,000,000</u>			<u>(8,000,000)</u>	<u>9,000,000</u>

(*) Directors resigned on the 1 April 2012 and no longer KMP.

30 June 2011	Balance at beginning of the year	Granted as remuneration during the year	Issued on exercise of options	Other changes during the year	Balance at end of year
Mr W Oliver	-	-	-	4,000,000	4,000,000
Mr R Matic	-	-	-	3,000,000	3,000,000
Mr S Mackinnon	-	-	-	10,000,000	10,000,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,000,000</u>	<u>17,000,000</u>

Other KMP Transactions

There have been no other transactions involving equity interests other than those described in the tables above. For details of other transactions with KMP, refer to Note 15: Related Party Transactions.

15. 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 19.

c) Key management personnel

Disclosures relating to key management personnel are set out in note 14.

d) Transactions with related parties

During the year, there were payments made to Kenosis Capital Partners, a company with which Mr O'Malley is a founding partner. The payments are for advisory services on the global natural resource sector and amounted to \$30,901 (2011: Nil).

During the year, there were payments made to Billandbry Consulting Pty Ltd, a company with which Mr Oliver is a shareholder and director. The payments are for the provision of geological consulting services and amounted to \$12,000 (2011: \$2,500)

During the year, there were payments made to Bentleys (WA) Pty Ltd and Capital and Corporate Advisors Pty Ltd, company's with which Mr Matic is a shareholder and director. The payments are for the provision of tax advisory services, corporate secretarial and accounting services and amounted to \$116,542 (2011: 105,845).

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions.

16. Remuneration of auditors

During the year the following amounts were paid or payable to the auditor RSM Bird Cameron Partners:

	Consolidated	
	2012	2011
	\$	\$
Investigative Accountant's Report	14,000	-
Tax advice	14,254	-
Audit and review fees	25,000	-
	<u>53,254</u>	<u>-</u>

During the prior year the following amounts were paid or payable to the previous auditor BDO:

Taxation services	-	12,777
Audit fees for the years ended 30 June 2008 to 2011	-	121,760
	<u>-</u>	<u>134,537</u>

17. Contingent liabilities

There were no material contingent liabilities, not provided for in the financial statements of the Company as at 30 June 2012 (2011: nil).

18. Commitments for expenditure

(a) Tenement Expenditure Commitments:

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2012/2013. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

	2012 \$	2011 \$
The Company has tenement rental and expenditure commitments of:		
Payable:		
– not later than 12 months	30,000	30,269
– between 12 months and 5 years	210,000	121,081
– greater than 5 years	-	-
	240,000	151,350

(b) Capital commitments

There are no capital commitments contracted for at balance date.

19. Controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Percentage Owned (%)	
			2012	2011
View Nickel Pty Ltd	Australia	Ordinary	100%	100%
Asia Pacific Resources Ltd	Kyrgyzstan	Ordinary	100%	-
Oshpur Ltd	Hong Kong	Ordinary	100%	-

20. Events after the reporting period

Grant Thomas was appointed Managing Director of the Company on 1 July 2012. Mr Thomas had previously been appointed Technical Director on 19 March 2012.

On 17 July 2012, the Company announced a proposed name change to Celsius Coal Limited (ASX: CLA) which is to be approved at the General Meeting.

On 29 August 2012, the Company secured binding commitments from sophisticated and institutional investors to subscribe for 200 million shares at an issue price of 2 cents per share to raise \$4 million before costs. On 13 September 2012, 95,000,000 were issued at 2 cents per share as a result of tranche 1 placement with total amount raised of \$1.9 million before costs. The tranche 2 placement will involve the issuing of an additional 105 million shares, to raise \$2.1 million (before costs) and will be completed upon shareholder approval, which is being sought at the General Meeting to be held on 4 October 2012.

Other than the above, the directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012 (continued)

21. Earnings per share

	Consolidated	
	2012	2011
	\$	\$
a) Reconciliation of earnings to profit or loss:		
Profit	642,397	38,347,749
Earnings used to calculate basic and diluted EPS	642,397	38,347,749
b) Reconciliation of earnings to profit or loss from continuing operations:		
Profit from continuing operations	642,397	38,494,004
Earnings used to calculated basic and diluted EPS from continuing operations	642,397	38,494,004
c) Reconciliation of earnings to profit of loss from discontinued operations:		
(Loss) from discontinued operations	-	(146,255)
Earnings used to calculated basic and diluted EPS from discontinued operations	-	(146,255)
	Number	Number
d) Weighted average number of ordinary shares used as the denominator in calculating basic EPS	925,515,314	318,857,780
Weighted average number of dilutive options outstanding	170,000,000	59,150,685
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,095,515,314	378,008,465
e) Diluted earnings per share is not reflected for discontinued operations as the result is anti-dilutive in nature.		
f) Anti-dilutive options on issue not used in dilutive EPS calculation	-	52,500

22. Cash flow information

a) Reconciliation of profit from ordinary activities after income tax to net cash (outflow) from operating activities

Profit from ordinary activities after income tax	642,397	38,347,749
Depreciation	3,037	-
Capitalised borrowing and interest costs	(13,255)	(7,347)
Share-based payment	-	40,076
Net (gain) on disposal of investments	-	(35,057,165)
Share of profit in associate	(334,278)	(2,893,200)
DOCA debts written off	-	(7,849,854)
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase) in trade debtors and receivables	(70,086)	(13,139)
(Increase) in other assets	(4,943,209)	-
(Decrease) in trade and other creditors	(379,904)	(13,388)
Increase/(decrease) in provisions/ impairments	(1,135,535)	1,510,058
Net cash (outflow) from operating activities	(6,230,833)	(5,936,210)

22. Cash flow information (continued)

b) Disposal of Entities

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 triggered the discontinuing of its operations in the Mining business segment, that is View Gold Pty Ltd. As part of the Group's plan as part of the finalisation of the DOCA, View Gold Pty was deconsolidated on 9 February 2011.

Assets and liabilities held at deconsolidation date

Cash	-	623,609
Trade creditors	-	(24,838,329)
Lease liabilities	-	(10,862,445)
	-	(35,077,165)
Net gain on disposal	-	35,077,165
Net cash transferred from group on deconsolidation	-	(623,609)

23. Share-based payments

- i. A summary of the movements of all company options issues is as follows:

	Number	Weighted average exercise price
Options outstanding as at 30 June 2010	52,500	\$7.80
Granted	20,000,000	\$0.01
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	20,052,500	\$2.61
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	(52,500)	\$7.80
Options outstanding as at 30 June 2012	20,000,000	\$0.01
Options exercisable as at 30 June 2011:	20,052,500	\$2.61
Options exercisable as at 30 June 2012:	20,000,000	\$0.01

As at the date of exercise, the weighted average share price of options exercised during the year was nil (2011: nil).

The weighted average remaining contractual life of options outstanding at year end was 1.75 years. The exercise price of outstanding shares at the end of the reporting period was \$0.01.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period, there were no such options for the year ended 30 June 2012. The weighted average fair value of options granted during the year was \$nil (2011: \$0.002).

24. Parent entity disclosures

	2012	2011
	\$	\$
(a) Financial Position		
Assets		
Current Assets	1,721,094	2,358,321
Non-Current Assets	5,503,718	13,140
Total Assets	7,224,812	2,371,461
Liabilities		
Current Liabilities	137,310	21,708
Non-Current Liabilities	5,999,495	1,909,495
Total Liabilities	6,136,805	1,931,203
Equity		
Contributed Equity	5,336,646	3,948,683
Reserves	40,076	40,076
Retained (Losses)	(4,288,715)	(3,548,501)
Total Equity	1,088,007	440,258
(b) Financial Performance		
(Loss) for the year	(740,214)	(144,028)
Other comprehensive income	-	-
Total Comprehensive (Loss)	(740,214)	(144,028)
(c) Contingent Liabilities of the Parent Entity		
There are no such contingencies.		
(d) Commitments of the Parent Entity		
Not longer than 1 year	38,000	30,269
Longer than 1 year and not longer than 5 years	210,000	121,081
Longer than 5 years	-	-
Total	248,000	151,350

25. Financial Risk Management

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The Group's activities expose it to a variety of financial risks, including, credit risk, liquidity risk and cash flow interest rate risk. The company is not exposed to foreign exchange or price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012 (continued)

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

(a) Market Risk

(i) Interest rate risk

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

2012

	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2012 \$	2012 \$	2012 \$	2012 \$	2012 \$	2012 %
Financial Assets						
Cash	494,580	2,000,000	-	-	2,494,580	4.04%
Trade and other receivables	-	-	-	86,877	86,877	-
Total Financial Assets	494,580	2,000,000		86,877	2,581,457	
Financial Liabilities						
Trade and other payables	-	-	-	174,103	174,103	-
Total Financial Liabilities	-	-	-	174,103	174,103	

2011

	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2011 \$	2011 \$	2011 \$	2011 \$	2011 \$	2011 %
Financial Assets						
Cash	3,682,565	1,000,000	-	-	4,682,565	3.02%
Trade and other receivables	-	-	-	7,347	7,347	
Total Financial Assets	3,682,565	1,000,000	-	7,347	4,689,912	
Financial Liabilities						
Trade and other payables	-	-	-	502,558	502,558	-
Total Financial Liabilities	-	-	-	502,558	502,558	

25. Financial Risk Management (continued)

(a) Market Risk (continued)

The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The Group does not have any receivables or payables that may be affected by interest rate risk.

Sensitivity analysis

At 30 June 2012, if interest rates had changed by +/-100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the Group and the parent entity would have been \$56,191 (2011: \$46,941) lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

(b) Credit risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables held within the Group relates to receivables from the Group's JV investment. The credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:-

	2012	2011
	\$	\$
Financial assets - counterparties without external credit rating		
Financial assets with no defaults in the past	86,877	7,347
Cash and cash equivalents		
'AA' S&P rating	2,494,580	4,682,565

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets.

The directors monitor the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were other payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

25. Financial Risk Management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated Group	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
As at 30 June 2012							
Trade and other payables	174,103	-	-	-	-	174,103	174,103
As at 30 June 2011							
Trade and other payables	502,558	-	-	-	-	502,558	502,558

(d) Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. At reporting date the Group had no such financial assets.

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

26. Company Details

The registered office and 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

The directors of the company declare that:

1. The financial statements and notes, as set out in the financial report, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer, as required by Section 295A of the Corporations Act, have each declared 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; and

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.



Grant Thomas
Managing Director

Dated this 28th day of September 2012

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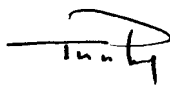
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of View Resources Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2012

**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 consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of View Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

The auditor's report in respect of the financial year ended 30 June 2010 contained a disclaimer of opinion. As a result, the auditor's report for the year ended 30 June 2011 was qualified in respect of any adjustments to the results of operations or cash flows for the year ended 30 June 2011 that may have been required in respect of any misstatement of the 30 June 2010 financial report.

Included in the consolidated statement of comprehensive income for the year ended 30 June 2011 was a gain on deconsolidation of View Gold Pty Limited of \$35,077,165 and a gain from the write-off of a deed of company administration liability of \$7,568,612. In addition, the consolidated statement of comprehensive income for the year ended 30 June 2011 included an expense item for deed of company arrangement payments totalling \$4,300,280. The auditor was unable to obtain sufficient appropriate audit evidence to support the accuracy of these amounts in the consolidated statement of comprehensive income for the year ended 30 June 2011 and, as a result, was unable to determine whether adjustments to the consolidated statement of comprehensive income might be necessary. The auditor's opinion on the financial report for the year ended 30 June 2011 was modified accordingly.

Our opinion on the current year's financial report is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

Opinion

In our opinion, except for the possible effects on the corresponding figures of the matters described in the Basis for Qualified Opinion paragraphs:

- (a) 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 consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

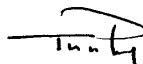
We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of View Resources Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

Perth, WA
Dated: 28 September 2012

Rsm Bird Cameron Partners
RSM BIRD CAMERON PARTNERS


TUTU PHONG
Partner



ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 24 September 2012.

(a) Distribution of equity securities

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

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	4415	1,614,959	0.16
1,001 – 5,000	1951	4,564,705	0.44
5,001 – 10,000	229	1,718,509	0.17
10,001 – 100,000	214	7,797,438	0.76
100,001 – 9,999,999,999	325	1,016,258,059	98.48
Rounding			-0.01
Total	7134	1,031,953,670	100.00

Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.021 per unit	23,810	6,704
		9,529,737

(b) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1.	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	70,000,000	7.01
2.	PHEAKES PTY LTD <SENATE A/C>	48,913,200	4.34
3.	MR ARIF ELBERT MATTHEE + MRS HAMEEDAH MATTHEE <THE AH SUPER FUND A/C>	44,000,000	3.90
4.	MR MICHAEL FOSTER BLACK + MRS LYNETTE ROBIN BLACK <PE SUR SUPP CO STF S/F 2 A/C>	36,000,000	3.19
5.	TT NICHOLLS PTY LTD <SUPER A/C>	33,500,000	2.97
6.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	29,512,782	2.62
7.	QUINDANNING (BVI) LIMITED	25,000,000	2.22
8.	MR DAVID ARTHUR PAGANIN <D A PAGANIN FAMILY NO 2 A/C>	21,271,700	1.89
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	21,004,312	1.86
10.	MR JOHN DELLA BOSCA <JA&JG DELLA BOSCA FAMILY A/C>	18,687,500	1.66
11.	PO KING (FAR EAST) PTY LTD <THE GRAM SUPER FUND A/C>	16,000,000	1.42
12.	MR WADE ROUTLEDGE + MRS GAY EDWINA ROUTLEDGE <THE WADE ROUTLEDGE S/F A/C>	15,187,500	1.35
13.	MR TODD ROBERT PEARSON	15,074,737	1.34
14.	SYMPHONY INVESTMENTS LLC	15,000,000	1.33
15.	MR ROBERT JONATHAN WALL	15,000,000	1.33
16.	GURNEY CAPITAL NOMINEES PTY LTD	14,500,000	1.29
17.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	13,900,000	1.23
18.	CHANCERY HOLDINGS PTY LTD <MCKENZIE NO 2 SUPER FUND A/C>	12,950,000	1.15
19.	NATIONAL NOMINEES LIMITED	12,775,270	1.13
20.	TAO YUAN LIMITED	12,500,000	1.11
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		490,777,001	47.56

(c) Substantial shareholders

Name	Units
BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	70,000,000

(d) Voting rights

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

(e) Options

There are no listed options. There are 170,000,000 unlisted options over unissued shares on issue to 14 holders.

(f) Schedule of interest in mining tenements

Location	Tenement	Percentage held / earning
MURRIN MURRIN STH	E39/1641	100%
NICKEL	E39/1684	100% Pending
CARNILYA	L26/0241	30%
CARNILYA	M26/0047	30%
CARNILYA	M26/0048	30%
CARNILYA	M26/0049	30%
CARNILYA	M26/0453	30%
KYRGYZSTAN	BEL ALMA	100%
KYRGYZSTAN	SARY MOGOL	100%