

REGALPOINT RESOURCES LIMITED
ACN 122 727 342

ANNUAL REPORT
30 JUNE 2012

CORPORATE DIRECTORY

DIRECTORS	Shane L. Stone (Chairman) Simon Trevisan (Executive Director) Richard Lockwood (Non-Executive Director) Robert Pett (Non-Executive Director) Ian Murchison (Non-Executive Director)
COMPANY SECRETARY	Fleur Hudson
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SHARE REGISTRY	Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153 Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
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SOLICITORS	Squire Sanders (AU) Level 21 300 Murray Street PERTH WA 6000
BANKERS	St George Bank Limited Level 1, Westralia Plaza 167 St Georges Terrace PERTH WA 6000

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LETTER TO SHAREHOLDERS

Dear Shareholder

It is with pleasure that we provide you with Regalpoint Resources Limited's Annual Report.

The 2011/2012 year has been a very difficult one for equity markets in general and junior explorers in particular. The Company listed with a large portfolio of exploration projects in Australia which had been identified by a world leading study as highly prospective for uranium.

During the year the Company advanced its exploration across the project areas and had some considerable success. However, the backdrop was the worsening conditions for equity markets and their unwillingness to fund ongoing exploration and also a worsening in prices for the end commodities. This was particularly so for uranium which continues to feel the effects of the change in sentiment of the Japanese towards nuclear power following the Fukushima disaster.

Recognising the reality of the decreased value of exploration acreage and the higher cost of capital, particularly for early stage exploration, the Company has taken a decision to pare back its exploration efforts and portfolio to focus on those which has the greatest opportunity to provide value to shareholders in these difficult times. Prized amongst our projects is the Paroo Range Project where we have had considerable success with our initial drilling program with follow ups due to occur shortly. We also have good reason to feel encouraged by results from the King Leopold Project which has been reduced to a manageable size whilst retaining all of the highly prospective areas.

The Company and your Board are focused on trying to elicit maximum value from the resources available to the Company and whilst carefully continuing to seek to progress the Company's projects. We are also on the lookout for opportunities to potentially expand the project pool where satisfied that the opportunities are likely to be value accretive to shareholders.

Yours faithfully



Hon. Shane L. Stone AC PGDK QC FACE FAIM FAICD
Chairman

SUMMARY

The Company is exploring and advancing its portfolio of Australian tenements identified by the Centre for Exploration Targeting using a mineral systems approach as highly prospective for economic uranium and other mineral deposits.

The initial exploration programs on the projects identified four high quality drilling targets at Paroo Range and King Leopold and also yielded very encouraging results at Curbur and Rum Jungle Highlander which warrant detailed exploration drilling.

In particular the initial exploration results from the Skevi Prospect at the Company's 100% owned Paroo Range Project point to that project's potential to host economic resources.

Regalpoint is in the process of rationalising its extensive tenement portfolio to focus on these major projects.

PAROO RANGE, QLD (RGU 100%)

At its Paroo Range Project, Regalpoint is targeting structurally controlled metasomatic uranium mineralisation that occurs within albitised meta-basalts with breccia zones developed through the quartz-haematite-carbonate alteration zone. This mineralisation style is analogous to the nearby Valhalla and Skäl deposits and to the Anderson Lode deposit.

Skevi Prospect

The maiden shallow RC drill program at the Company's Paroo Range Project intercepted significant uranium mineralisation at the Skevi Prospect. Initial exploration returned a discrete radiometric anomaly and several encouraging rock chip sample results over 1000 ppm U and the follow-up drill program has intersected a significant zone of uranium mineralisation which is similar in many respects to the Valhalla deposit. Best results are shown below and the complete results are included in the Company's recent ASX releases.

7m @ 1155 ppm U₃O₈

7m @ 352 ppm U₃O₈

7m @ 324 ppm U₃O₈

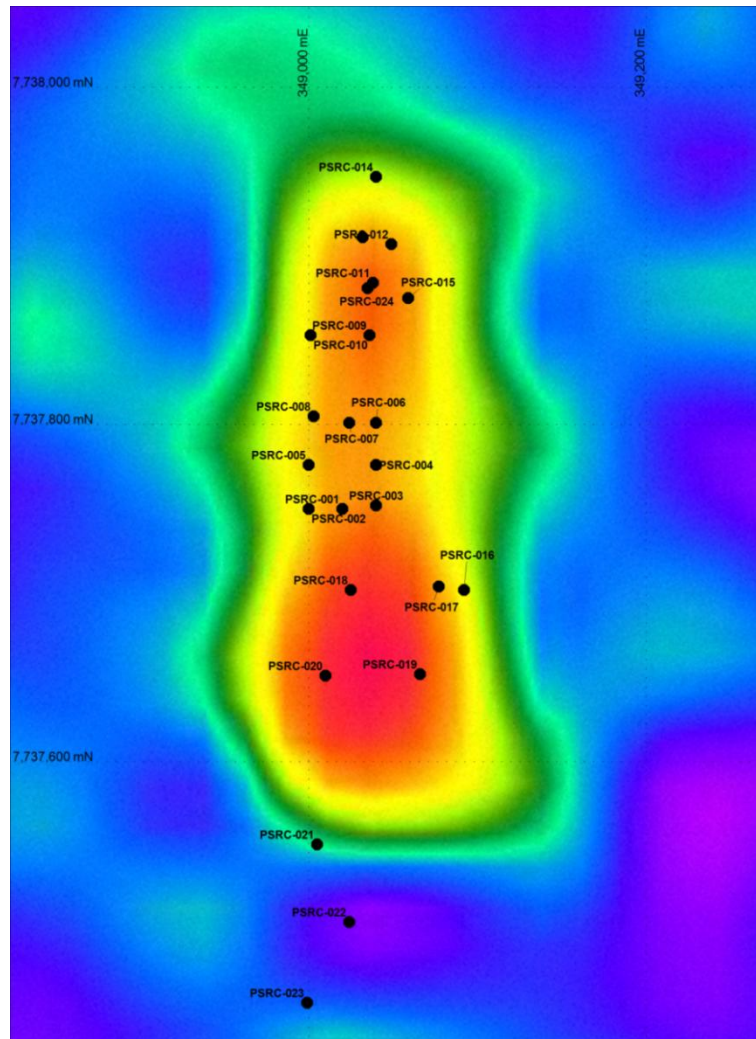
3m @ 473 ppm U₃O₈.

Mineralisation appears to be open to the south and north along the Skevi structure as well as at depth. Further testing is required to further define the scope and scale of these lenses. The style of mineralisation identified is considered analogous to the mineralisation found at other deposits in the region e.g. Valhalla and Skäl (Paladin Energy). The Valhalla and Skäl deposits are strongly structurally controlled within brecciated basalts and metasediments of the Eastern Creek Volcanics and are confined to zones of strong haematite-carbonate alteration.

The mineralised zone at Valhalla is defined by the 100 ppm contour; resource cut off is 230 ppm and the high grade core is defined by 450 ppm contour. Skevi intercepts fall within this range. Hole 11 intersected an anomalous shoot 20 metres thick downhole. The radiometric anomaly is shown as a discrete body of about 400m by 100m but the best intercept was in hole PSRC-023 60-70 metres south of the anomaly. A hole further south also had encouraging results suggesting that radiometric should not be taken as a limiting factor. Even where RC holes failed to return a sample downhole gamma, logging indicates some anomalous zones.

OPERATIONS REPORT (continued)

These encouraging results from the initial drill program have highlighted the potential of the Paroo Range tenement and Skevi Prospect to host structurally controlled mineralisation in the altered Eastern Creek Volcanics. The 2011 airborne radiometric survey and ground reconnaissance identified numerous additional targets that have yet to be tested.



Skevi Prospect Drill Location over Radiometrics

OPERATIONS REPORT (continued)

Thesaurus Prospect

Reconnaissance ground radiometric traverses, approximately 400 metres north of Skevi Prospect, detected strongly anomalous radiometric values where spectrometer analysis returned values up to 1.5% K, 366 ppm eU and 12.7 ppm Th.

The Thesaurus Prospect occurs in a north-south trending irregularly haematitic-altered sheared metabasalt. Sub-outcropping basalt continues for about 100m before it is totally obscured by alluvium. Initial work suggests this prospect may be an extension of the Skevi structure.

Results from the confirmation geochemical sampling returned values up to **542 ppm U₃O₈**. The discovery of this prospect in an area of transported cover and no airborne radiometric response highlights the potential of Paroo to host significant uranium mineralisation undercover.

Thesaurus Rock Chip Location and Assay

Sample ID	Easting	Northing	Assay (U ppm)	Assay (U ₃ O ₈ ppm)
4001	349,094	7,738,169	460	542
4002	349,095	7,738,191	175	206
4003	349,100	7,738,255	260	307
4004	349,100	7,738,255	85	100
4005	349,103	7,738,239	25	29
4006	349,098	7,738,143	210	248
4007	349,098	7,738,168	125	147

Confirmation uranium analysis was undertaken by Amdel Laboratories with samples submitted to Amdel Laboratories in Mt Isa for preparation and low level ICP3MS analysis (i.e. 0.1 ppm U detection limit) in Adelaide.

Future Exploration

Identification of the structurally controlled alteration zone and mineralisation at the Skevi Prospect with excellent potential along strike to the north and south, discovery of the nearby Thesaurus Prospect, and the other geochemical/structural targets the Company's exploration generated make Paroo Range a priority focus of future exploration.

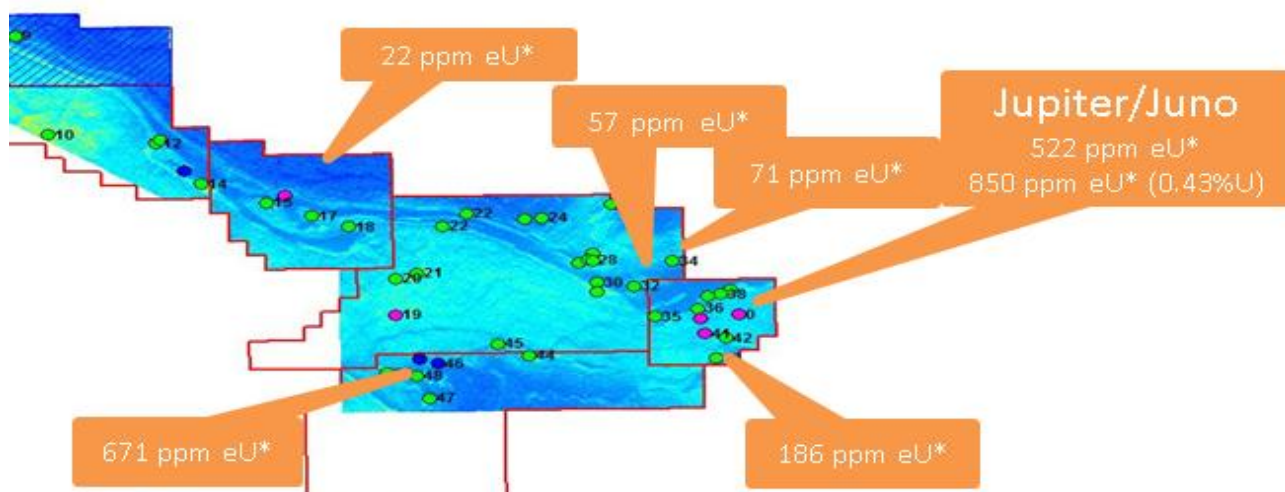
A follow up programme is being planned with drill testing along strike and at depth at Skevi, in depth interpretation of airborne magnetic data for structural targeting and acquisition of helicopter data for higher intensity data and increased target definition.

OPERATIONS REPORT (continued)

KING LEOPOLD, WA (RGU: 100%)

The project area lies over the unconformity between the Hooper Complex of the King Leopold Orogen, a Lower Proterozoic mobile zone, and the southern margin of the Kimberley Basin, a Middle Proterozoic continental basin lying unconformably over the rocks of the King Leopold and Halls Creek Orogens. In places, this unconformity has acted as an overthrust fault surface of the Kimberley Basin rocks thrust over the Hooper Complex.

Regalpoint considers the project area is highly prospective for volcanic-hosted uranium-bearing vein systems and unconformity-related mineralisation as well as sandstone hosted mineralisation in the basal permeable sandstones of the Kimberley Group.



Surface uranium anomalies on the King Leopold Project

Regalpoint has undertaken a first pass investigation of radiometric and historic targets at its King Leopold Project to determine priority with geochemical samples collected from particular anomalous zones. Follow-up chemical analysis of high spectrometer values confirmed the significant uranium values with up to 0.43% U from Juno and 850 ppm U from the L48 prospect area.

A ground geochemical sampling to test Jupiter/Juno and A48 prospect areas and other elevated uranium anomalies (including L32, L14) are planned.

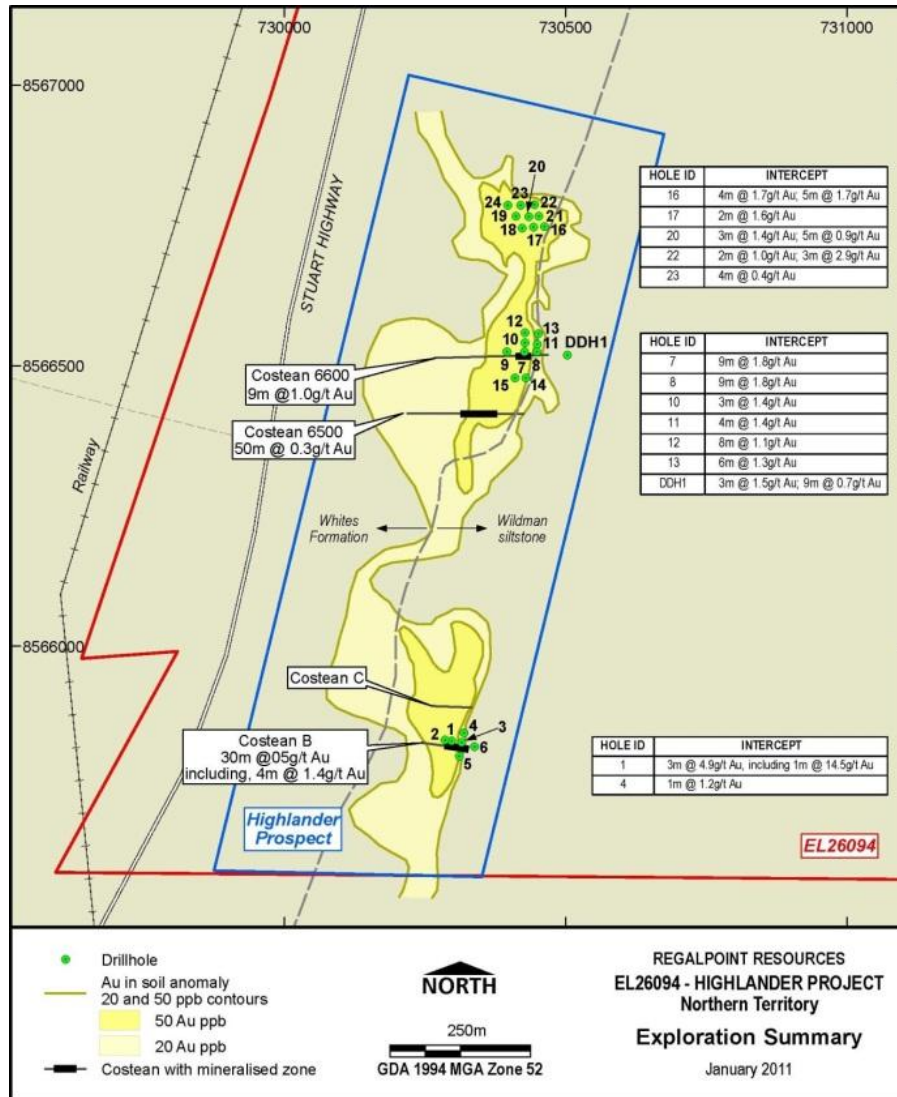
RUM JUNGLE, NT (RGU 100%)

The Highlander Gold Prospect is a historical gold anomaly located within EL26094, east of Batchelor in the Northern Territory. Regalpoint undertook a program of costean excavation, mapping and sampling and an initial RC drill program (1,540m) to test the strike and depth of mineralisation and to verify the historical drill results. Historical shallow RC drilling at Highlander returned assays up to 9m @ 1.88 g/t and 3m @ 2.90 g/t Au. Re-assaying of the 2011 drill anomalies returned upgraded gold assays with a maximum intercept of 6m @ 3.91 g/t Au, including 1m @ 13.2 g/t Au, from 108m downhole. The new assays highlight the potential to identify primary high grade shoots within this zone.

Drilling has now defined a coherent zone of anomalous gold mineralisation at the thrust fault contact of the Whites Formation and overlying Wildman Siltstone.

OPERATIONS REPORT (continued)

Initial radon sampling on EL 26091 has identified an anomalous value at the Whites Formation-Coomalie Dolostone unconformity, suggesting a buried radiometric source below the thin transported cover.



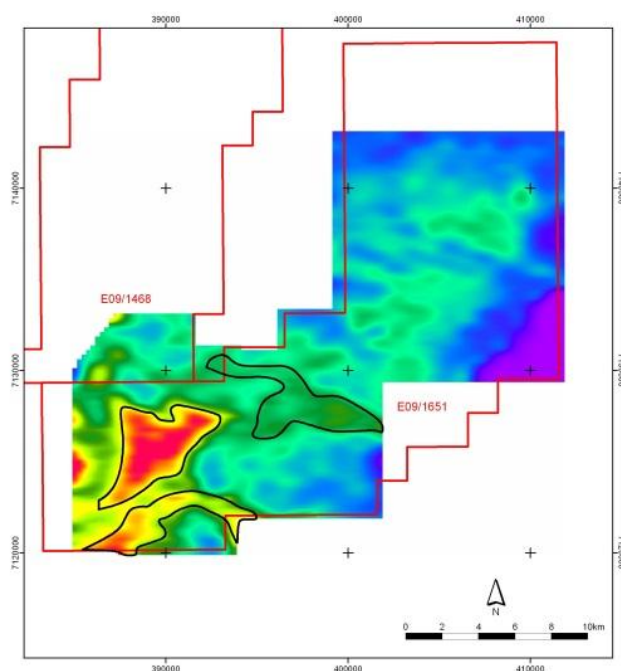
Highlander Gold Prospect

OPERATIONS REPORT (continued)

CURBUR, WA (RGU: 100%)

Curbur is located in the Murchison region and is considered prospective for palaeochannel and sandstone hosted uranium mineralisation within the Carnarvon Basin palaeo-drainage systems.

Interpretation of the regional scale airborne TEMPEST electromagnetic survey has identified prospective palaeochannel locations in the Curbur, Curbur North and Lyons River West sub-project areas. These interpreted palaeochannel targets have been surveyed by the Company for access and ground geology targeting.



Curbur radiometric anomaly on E09/1651

The information in this report that relates to exploration results is based on information compiled by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Castle is a consultant to Regalpoint Resources Limited. He has sufficient experience relevant to the style of mineralisation and type of deposits 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 Castle consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Regalpoint Resources Limited (**Company**) for the financial year ended 30 June 2012 and the Auditor's Report thereon.

DIRECTORS

The names and details of the Directors in office during the financial year and until the date of this report are set out below. Directors have been in office the entire period unless otherwise stated.

- Shane L. Stone (Chairman)
- Simon Trevisan (Executive Director)
- Richard Lockwood (Non-Executive Director)
- Robert Pett (Non-Executive Director)
- Ian Murchison (Non-Executive Director)
- Nicholas Burn (Chief Executive Officer – resigned 20 July 2012)

BOARD OF DIRECTORS

Hon Shane L. Stone AC PGDK QC FACE FAIM FAICD - Non-Executive Chairman

Experience and Expertise

Mr Stone is Chairman of Anne Street Partners. He is also the Executive Chairman of the APAC Group consulting to companies operating in the Asia-Pacific Region. He is an alumnus of the Australian National University, Melbourne Law School, Adelaide and Sturt Universities and a Fellow of the Australian Institute of Management and Australian Institute of Company Directors. He is also a Fellow and Life Member of the Australian College of Educators.

Mr Stone has a strong background in the export of Australian commodities. He has at various times acted as independent Director to various public and private companies. He formerly served as Chief Minister of the Northern Territory, Minister for Mines and Energy and Federal President of the Liberal Party of Australia. He was a Barrister prior to his entry into politics.

In 2006 he was made a Companion of the Order of Australia in the Queen's Birthday Honours list. Mr Stone has also received national awards from Indonesia and Malaysia.

His not-for-profit activities include the Australian Children's Television Foundation, Defence Reserves Support Council, the Order of Australia Association and National Chairman of the Duke of Edinburgh's Award.

Mr Stone is the Chairman of the Share Trading Committee and a member of the Audit and Risk Committee and Nomination and Remuneration Committee.

Other Current Directorships

Chairman of Mayfair (UK) in Australia (including Anne Street Partners, QNV and subsidiaries).

Executive Chairman of the APAC Group.

Independent Non-Executive Director of Impellam plc (UK).

Chairman of Energex Limited.

DIRECTORS' REPORT (continued)

Former Directorships in last 3 years

None.

Special Responsibilities

Chairman of the Share Trading Committee.

Member of the Audit and Risk Committee.

Member of the Nomination and Remuneration Committee.

Interests in shares and options

1,034,207 ordinary shares in Regalpoint Resources Limited.

838,155 options over ordinary shares in Regalpoint Resources Limited.

Simon Trevisan B Econ, LLB (Hons), MBT - Executive Director

Experience and Expertise

Mr Trevisan is the Managing Director of the Transcontinental Group of Companies and for the past 15 years has been responsible for managing Transcontinental Group's mining and oil & gas investments and property development projects. Mr Trevisan has been involved in the promotion and management of a number of public companies, including Mediterranean Oil & Gas plc, an AIM listed Oil & Gas Company with production and a substantial oil discovery in Italy.

He was Executive Chairman of ASX-listed gold explorer Aurex Consolidated Ltd until its takeover by TerraGold Mining Ltd and a founding investor and Director of Ausgold Limited. He has a Bachelor of Economics and a Bachelor of Laws (UWA) and a Masters Degree in Business and Technology from the University of New South Wales. Mr Trevisan initially practised as a solicitor with Allens Arthur Robinson Legal Company firm, Parker and Parker, in the corporate and natural resources practice groups and later acted as General Counsel to a group of public companies involved in the mining and exploration sectors. Mr Trevisan is currently a Director of Ausgold Ltd.

Mr Trevisan is the Chairman of the Nomination and Remuneration Committee and a member of the Share Trading Committee and Audit and Risk Committee.

Other Current Directorships

Managing Director of the Transcontinental Group.

Director of Ausgold Ltd.

Former Directorships in last 3 years

None.

Special Responsibilities

Chairman of the Nomination and Remuneration Committee.

Member of the Share Trading Committee.

Member of the Audit and Risk Committee.

Interests in Shares and Option

17,207,982 ordinary shares in Regalpoint Resources Limited.

12,905,987 options over ordinary shares in Regalpoint Resources Limited.

DIRECTORS' REPORT (continued)

Richard Lockwood - Director

Experience and Expertise

Mr Lockwood has over 50 years' experience in mining, mining investment and stockbroking. Formerly a Mining Investment Partner for Hoare Govett and McIntosh Securities, he was involved in the development and financing of several gold and base metals projects in Europe, Australia and Africa.

Mr Lockwood is currently a Senior Fund Manager for City Natural Resources High Yield Trust, Geiger Counter Limited and Golden Prospect Precious Metals. In 2012 Mr Lockwood was integral in setting up Praetorian Resources Limited, of which he is a Director.

He is also currently a Non-Executive Director of Ausgold Ltd and Indochina Minerals Ltd.

Other Current Directorships

Director of Praetorian Resources Ltd.

Non-Executive Director of Ausgold Ltd.

Non-Executive Director of Indochina Minerals Ltd.

Former Directorships in last 3 years

None.

Special Responsibilities

Director.

Interests in Shares and Option

2,668,457 ordinary shares in Regalpoint Resources Limited.

2,110,093 options over ordinary shares in Regalpoint Resources Limited.

Robert Pett BA (Hons), MA (Econ), FAICD, Minerals Economist - Director

Experience and Expertise

Mr Pett is a Minerals Economist with over 29 years' experience in exploration and mining of gold and other metals. During that period he has overseen the successful exploration, development financing and operation of a number of mining projects worldwide. These include gold and nickel mines in Australia and gold mines in East and West Africa, a number evolving from grass roots discoveries, as well as numerous exploration projects.

He holds a Masters Degree from Queens University Canada.

Mr Pett is a Chairman of Ausgold Limited and a Director of Brazilian Metals Group Limited.

Other Current Directorships

Chairman of Ausgold Limited.

Chairman of A-Cap Resources Limited.

Director of Brazilian Metals Group Limited.

Former Directorships in last 3 years

Senex Energy Limited – Resigned 26/09/2011.

Special Responsibilities

Director.

Interests in Shares and Options

1,875,717 ordinary shares in Regalpoint Resources Limited.

1,406,788 options over ordinary shares in Regalpoint Resources Limited.

Ian Murchison B.Comm., FCA, Dipl Naut Sc - Director

Experience and Expertise

Mr Murchison is an Investment Director and a founding shareholder of Perth-based private equity fund manager Foundation Capital. Foundation Capital was established in 1994 and has invested institutional funds of over \$125 million, primarily in Western Australia.

Mr Murchison is a Fellow of the Institute of Chartered Accountants and was a founding Partner of Sothertons Chartered Accountants. Mr Murchison is a Director of Austwide Distributors Pty Ltd.

Mr Murchison is the Chairman of the Audit and Risk Committee and a member of the Share Trading Committee and Nomination and Remuneration Committee.

Other Current Directorships

Investment Director of Perth-based private equity fund manager Foundation Capital.

Director of Austwide Distributors Pty Ltd.

Former Directorships in last 3 years

Director of Skill Hire Pty Ltd.

Alternate Director to Mr Simon Trevisan at Ausgold Limited.

Special Responsibilities

Chairman of the Audit and Risk Committee.

Member of the Share Trading Committee.

Member of the Nomination and Remuneration Committee.

Interests in Shares and Options

4,539,460 ordinary shares in Regalpoint Resources Limited.

3,404,595 options over ordinary shares in Regalpoint Resources Limited.

Nicholas Burn BSc. (Hons), MBA, MAIG – Chief Executive Officer

(Resigned 20 July 2012)

Experience and Expertise

Mr Burn has 25 years' geological experience, including extensive uranium and gold exploration and development work in the Northern Territory, Western Australia and South Australia. His experience includes managing the exploration and pre-feasibility study of the Biglryi uranium deposit and the discovery of a number of other uranium resources.

DIRECTORS' REPORT (continued)

He is a member of the Australian Institute of Geoscientists with a Bachelor of Science with Honours degree from the University of Adelaide. His Honours thesis was on palaeochannel-hosted uranium mineralisation, north-western Eyre Peninsula, SA. Mr Burn also has a Master of Business Administration (MBA) from Charles Sturt University, NSW and is a member of the Australian Institute of Company Directors.

Other Current Directorships

None.

Former Directorships in last 3 years

None.

Special Responsibilities

Chief Executive Officer.

Mr Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012.

Interests in Shares and Options

10,000 ordinary shares in Regalpoint Resources Limited.

712,500 options over ordinary shares in Regalpoint Resources Limited.

COMPANY SECRETARY

Fleur Hudson BA, LLB, LLM (Disp. Res.)

Experience and Expertise

Mrs Hudson has a Bachelor of Arts, a Bachelor of Laws and Master of Laws degrees. Mrs Hudson has been a Director of Transcontinental Group since 2009 and was appointed as Company Secretary of Ausgold Limited (resigning in November 2011), Regalpoint Resources Limited and Brazilian Metals Group Limited in 2010.

Prior to that, she has practiced as a solicitor with international law firms in Perth and in London since 1998. As a solicitor, Mrs Hudson has advised large national and international companies with respect to a variety of civil construction, infrastructure and commercial issues.

Other Current Directorships

Director of the Transcontinental Group.

Former Directorships in last 3 years

None.

Special Responsibilities

Company Secretary.

Interests in Shares and Options

150,000 ordinary shares in Regalpoint Resources Limited.

187,500 options over ordinary shares in Regalpoint Resources Limited.

DIRECTORS' REPORT (continued)

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and options of the Company as at the date of this report:

	Number Shares	Number Options
Director		
Shane Stone ¹	1,034,207	838,155
Robert Pett ²	1,875,717	1,406,788
Simon Trevisan ³	17,207,982	12,905,987
Richard Lockwood ⁴	2,668,457	2,110,093
Ian Murchison ⁵	4,539,460	3,404,595
Company Secretary		
Fleur Hudson	150,000	187,500

Note 1: Relevant interest as a beneficiary of S&J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Relevant interest as Director and controlling Shareholder of Batterbury Holdings Pty Ltd.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.

Note 4: Indirect interest as beneficial holder of shares held by Nefco Nominee Pty Ltd.

Note 5: Interest as controlling Shareholder of Tenalga Pty Ltd.

DIRECTORS' REMUNERATION

Information about the remuneration of Directors is set out in the Remuneration Report of this Directors' Report, on pages 19 to 25.

SHARES UNDER OPTION

Unissued ordinary shares of Regalpoint Resources Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
30 May 2011	31 March 2014	\$0.20	66,328,948
1 December 2011	20 January 2013	\$0.20	700,000

No option holder has any right under the options to participate in any other share issue of the Company.

SHARE OPTIONS GRANTED TO DIRECTORS

During the financial year, the following options were issued to the Chief Executive Officer of the Company as part of his remuneration.

DIRECTORS' REPORT (continued)

Name of officer	Date granted	Expiry date	Issue price of shares	Number under option
Nicholas Burn	1 December 2011	26 May 2016	\$0.20	700,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year comprised of mineral exploration in Australia.

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

DIVIDENDS PAID OR RECOMMENDED

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2012.

REVIEW OF OPERATIONS

The Company's net loss after providing for income tax for the year ended 30 June 2012 amounted to \$4,061,323 (2011: \$180,442) including exploration expenditure written off of \$3,614,233 (2011: \$105,015). At 30 June 2012, the Company has \$2,212,414 between cash and cash equivalents and investments.

CORPORATE ACTIVITY

Regalpoint Resources Limited announced the resignation of Chief Executive Officer (**CEO**) Mr Nicholas Burn on 20 July 2012. At the same time, Regalpoint Resources Limited was pleased to announce the appointment of Malcolm Castle as Consultant Technical Advisor to the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year.

AFTER REPORTING DATE EVENTS

Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012.

On 20 July 2012, the Company announced that CEO Mr Nicholas Burn has tendered his resignation from the Company. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished.

There are no other post reporting date events at the reporting date.

LIKELY DEVELOPMENTS

The Company will continue to pursue its main objective of developing interests in exploration projects.

DIRECTORS' REPORT (continued)

ENVIRONMENTAL ISSUES

The Company's exploration and mining activities are governed by a range of environmental legislation. As the Company is still in the development phase of its interests in exploration projects, it is not yet subject to the public reporting requirements of environmental legislation. To the best of the Directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

DIRECTORS' MEETING

During the financial year, 8 meetings (including Committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Remuneration Committee*		Audit Committee**	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Director						
Shane Stone	8	8	-	-	2	2
Nicholas Burn	8	8	-	-	-	-
Simon Trevisan	8	8	-	-	2	2
Richard Lockwood	8	3	-	-	-	-
Robert Pett	8	4	-	-	-	-
Ian Murchison	8	7	-	-	2	2

* During the financial year Mr Trevisan was Chairman of the Remuneration Committee and Mr Stone and Mr Murchison were members.

** During the financial year Mr Murchison was Chairman of the Audit Committee and Mr Stone and Mr Trevisan were members.

There was no Share Trading Committee Meeting held during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Entity or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

(a) Indemnification

The Company has agreed to indemnify the current Directors and Company Secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Company, except where the liability arises out of conduct involving a lack of good faith.

The Agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

(b) Insurance premiums

The Company paid a premium during the year in respect of a Director and Officer Liability Insurance Policy, insuring the Directors of the Company, the Company Secretary, and all Executive Officers of the Company against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*.

During the period ended 30 June 2012, the Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance for Directors and Officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Company. On 08 March 2012, the Company paid an insurance premium of \$11,650 covering the period from 02 March 2012 to 02 March 2013 (2011: \$11,430).

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

During the financial year, BDO Corporate Finance (WA) Pty Ltd, a related entity of BDO Audit (WA) Pty Ltd, the Company's Auditor, performed certain other services in addition to their statutory duties.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the Auditor and are satisfied that the provision of those non-audit services during the financial year by the Auditor is compatible with, and did not compromise, the Auditor's independence requirements of the *Corporations Act 2001* for the followings reasons:

- (a) all non-audit services were subject to the Corporate Governance procedures adopted by the Company; and
- (b) the non-audit services provided do not undermine the general principles relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

DIRECTORS' REPORT (continued)

Details of the amount paid to the Auditor of the Company, BDO Audit (WA) Pty Ltd and its related practices for non-audit services provided during the financial year are set out below. In addition, amounts paid to other Auditors for the statutory audit have been disclosed:

	2012	2011
	\$	\$
Taxation services		
Tax compliance services - BDO Tax (WA) Pty Ltd	-	12,920
Total remuneration for taxation services	-	12,920
Other Services other than statutory audit		
Independent Accountant's Report - BDO Corporate Finance (WA) Pty Ltd	-	15,185
Total remuneration for other services	-	15,185
Total remuneration for non-audit services	-	28,105

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2012 has been received and can be found on page 39.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Regalpoint Resources Limited and for the other Key Management Personnel. This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and has been audited in accordance with the requirements by section 308(3C) of the *Corporations Act 2001* and the *Corporations Regulations 2001*.

For the purposes of this report, Key Management Personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Remuneration Policy

The Remuneration Policy of Regalpoint Resources Limited has been designed to align Director and Executive objectives with Shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The Board of Regalpoint Resources Limited believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the economic entity, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executives of the economic entity is as follows:

- (a) the Remuneration Policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Remuneration Committee and approved by the Board.
- (b) the Board reviews executive packages annually by reference to executive performance and comparable information from industry sectors.

The performance of Executives is measured against criteria agreed with each Executive and is based predominantly on the forecast growth of the economic entity's profits and Shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The Policy is designed to attract the highest calibre of Executives and reward them for performance that results in long-term growth in Shareholder wealth. Executives are also entitled to participate in employee share and option arrangements.

Company performance, Shareholder wealth and Director and Executive remuneration

The Remuneration Policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Each year the Board reviews Directors' remuneration and will consider the issue options as part of the Director's remuneration to encourage the alignment of personal interest and Shareholder interests.

Performance based remuneration

Due to the size of the Company, its current stage of activities and its relatively small number of employees, the Company has not implemented performance-based remuneration for the current year.

Voting and comments made at the Company's 2011 Annual General Meeting

The Company received more than 80% of "yes" votes on its Remuneration Report for the 2011 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT (continued)

Consequences of Company performance on Shareholder wealth

The Remuneration Committee has observed the following indices in respect of the current financial year and the previous financial year.

	30 June 2012	30 June 2011
Comprehensive loss attributable to owners of Regalpoint Resources Limited	(4,061,323)	(180,442)
Change in share price	\$0.03	\$0.15
Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Company		
Basic loss per share (cents per share)	(6.01)	(0.60)
Diluted loss per share (cents per share)	N/A	N/A

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Remuneration Committee determines the proportion of fixed and variable compensation for each Key Management Personnel. Please see the table below for the details of the nature and amount of each major element of remuneration for each Key Management Personnel of the Company during the year:

DIRECTORS' REPORT

Key Management Personnel Remuneration

2012 Key Management Person	Short-term Benefits		Post-employment Benefits	Share-based payment				
Directors	Salary	Other Fees	Superannuation	Equity	Options	Total	Performance Related	Options Related
	\$	\$	\$	\$	\$	\$	%	%
<i>Director</i>								
Shane Stone	60,000	-	5,400	-	-	65,400	-	-
Nicholas Burn ⁽¹⁾	210,000	-	18,900	-	59,361	288,261	-	21%
Robert Pett	30,000	-	2,700	-	-	32,700	-	-
Richard Lockwood	30,000	-	-	-	-	30,000	-	-
Simon Trevisan ⁽²⁾	-	240,000	-	-	-	240,000	-	-
Ian Murchison ⁽³⁾	-	30,000	-	-	-	30,000	-	-
	330,000	270,000	27,000	-	59,361	686,361	-	-
<i>Other Key Management Personnel</i>								
Fleur Hudson ⁽²⁾	-	-	-	-	-	-	-	-

(1) Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012.

(2) Mr Trevisan and Mrs Hudson have not received remuneration from the Company for the year ended 30 June 2012. Regalpoint Resources Limited has an Agreement with Transcontinental Investments Pty Ltd as disclosed in Note 17 which is a Director related Entity (Simon Trevisan and Fleur Hudson) which charged a management and administrative fee for office space and services, accounting and administration services were paid to Transcontinental Investments Pty Ltd, of which Mr Trevisan and Mrs Hudson are Directors and beneficial Shareholders.

(3) Mr Murchison received Director fees of \$30,000 paid to Exert Pty Ltd, of which Mr Murchison is a Director.

DIRECTORS' REPORT (continued)

2011 Key Management Person	Short-term Benefits		Post-employment Benefits	Share-based payment				
Directors	Salary	Other Fees	Superannuation	Equity	Options	Total	Performance Related	Options Related
	\$	\$	\$	\$	\$	\$	%	%
<i>Director</i>								
Shane Stone	15,000	-	1,350	-	-	16,350	-	-
Nicholas Burn	96,048	-	8,644	-	-	104,692	-	-
Robert Pett	2,661	-	240	-	-	2,901	-	-
Richard Lockwood	2,661	-	-	-	-	2,661	-	-
Simon Trevisan ⁽¹⁾	-	51,290	-	-	-	51,290	-	-
Ian Murchison ⁽²⁾	-	2,661	-	-	-	2,661	-	-
Malcolm Castle ⁽³⁾	79,167	-	7,125	-	-	86,292	-	-
	195,537	53,951	17,359	-	-	266,847	-	-
<i>Other Key Management Personnel</i>								
Fleur Hudson ⁽¹⁾	-	-	-	-	-	-	-	-

(1) Mr Trevisan and Mrs Hudson have not received remuneration from the Company for the year ended 30 June 2011. Regalpoint Resources Limited has an Agreement with Transcontinental Investments Pty Ltd as disclosed in Note 17 which is a Director related Entity (Simon Trevisan and Fleur Hudson) which charged a management and administrative fee for office space and services, accounting and administration services were paid to Transcontinental Investments Pty Ltd, of which Mr Trevisan and Mrs Hudson are Directors and beneficial Shareholders.

(2) Mr Murchison received Director fees of \$2,661 paid to Exert Pty Ltd, of which Mr Murchison is a Director.

(3) Mr Castle was the Director of Regalpoint Resources Limited during the financial year and resigned on 30 November 2010.

DIRECTORS' REPORT

Service Agreements

All the Directors have been paid a Directors' fee on a monthly basis. None of the existing Directors have a Service Agreement with the Company.

The Company had an Employment Agreement with the former CEO, Mr Nicholas Burn from 04 January 2011 until 20 July 2012. In accordance with the terms of his engagement, Mr Burn was entitled to \$210,000 per annum plus superannuation as determined by statutory superannuation requirements. Subject to the Shareholder approval achieved at the 2011 Annual General Meeting, the Company issued 700,000 options to Mr Burn on 01 December 2011.

Mr Burn tendered his resignation from the Company on 20 July 2012 and his Employment Agreement was terminated as a result. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished.

Options issued as part of remuneration for the year ended 30 June 2012

Options are issued to Directors and Executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to Directors and Executives of Regalpoint Resources Limited to increase goal congruence between Executives, Directors and Shareholders.

Options granted as remuneration

During the year, the following options are granted and approved at the AGM to the Director of the Company as part of the Service Agreement.

Class	Vesting and exercise date	Expiry Date	Exercise Price	Value per option at grant date	Number of Options	% Vested
Nicholas Burn	01 December 2011	26 May 2016	\$0.20	\$0.03	700,000	100%
Nicholas Burn *	-	-	\$0.25	-	500,000	0%
Nicholas Burn *	-	-	\$0.25	-	500,000	0%

* Options were not issued at 30 June 2012 and have been extinguished effective from 20 July 2012.

All options vested on the issue and none have yet expired or lapsed.

Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished and no option expenses to recognise for future.

The fair value of option at grant date is independently determined using a Black Scholes option valuation methodology that takes into account the exercise price.

DIRECTORS' REPORT (continued)

The following share based payment was made through the issue of equity:

	Number of Options	Value of options issued	Options expensed during the year **
Issue of Tranche A management options exercisable at \$0.20, vesting immediately and expiring five years from issue	700,000	59,361	59,361
Total	700,000	59,361	59,361

** - Options calculated on a per day ratio

The following are model inputs for options issued during the 2012 year:

Input	Tranche A
Underlying share price	\$0.20
Exercise price	\$0.20
Expected volatility	110%
Expiry date	26 May 2016
Expected dividends	-
Risk free interest rate	3.48%

The options will be expensed over their vesting period in accordance with AASB 2. In the Statement of Financial Position all of the Tranche A options have been expensed.

Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013.

Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished.

Changes on expiry date of the unlisted employee options

On 20 July 2012, the Company announced that the CEO, Mr Nicholas Burn has tendered his resignation from the Company. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished. Below are summaries of changes on the options issued.

Class	Vesting and exercise date	Expiry Date	Exercise Price	Value per option at grant date	Number of Options	% Vested
Nicholas Burn	01 December 2011	20 January 2013	\$0.20	\$0.03	700,000	100%

DIRECTORS' REPORT (continued)

Shares issued on exercise of compensation options

There were no compensation options exercised by Directors or Key Management Personnel during the year ended 30 June 2012.

This is the end of the Audited Remuneration Report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Simon Trevisan', with a long horizontal flourish extending to the right.

Simon Trevisan

Executive Director

Dated at Perth, Western Australia, this 25th of September 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the overall Corporate Governance of the Company and the Entity, and is committed to the principles underpinning best practice in Corporate Governance, applied in a manner that meets ASX standards and best addresses the Directors' accountability to Shareholders.

However, whilst the Company will endeavour to comply with all of the guidelines under the ASX Corporate Governance Recommendations, the Board consider that the Company is not currently of a size, nor are its affairs of such complexity, to justify the additional expense of compliance with all recommendations. The Board will consider on an ongoing basis its Corporate Governance procedures and whether they are sufficient given the Company's nature of operations and size.

This statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

The Company's Corporate Governance policies are available on the Company's website:

<http://www.regalpointresources.com.au/company/company-structure>

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2012.

BOARD COMPOSITION

When determining whether a Non-Executive Director is independent the Director must not fail any of the following materiality thresholds:

- (a) less than 10% of Company shares are held by the Director and any Entity or individual directly or indirectly associated with the Director;
- (b) is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving of the Board;
- (c) has been a material professional adviser or a material consultant to the Company or another Company member within the last three years, or an employee materially associated with the service provided;
- (d) no sales are made to or purchases made from any Entity directly or indirectly associated with the Director; and
- (e) none of the Directors' income or the income of an individual or Entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the Entity.

The Board currently comprises of four Non-Executive Directors, of which Mr Shane L. Stone, Mr Richard Lockwood, Mr Ian Murchison and Mr Robert Pett are considered independent.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report is detailed in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT (continued)

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

ROLE OF THE BOARD

The management and control of the business is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of Shareholders. The Board strives to create Shareholder value and ensure that Shareholders' funds are safeguarded.

The key responsibilities of the Board include:

- (a) setting objectives, goals and strategic direction with Management with a view to maximising Shareholder value;
- (b) overseeing the financial position and monitoring the business and affairs of the Company;
- (c) establishing Corporate Governance, Ethical, Environmental and Health and Safety standards;
- (d) ensuring significant business risks are identified and appropriately managed; and
- (e) ensuring the composition of the Board is appropriate, selecting Directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual Directors.

The Board has delegated responsibilities and authorities to Management to enable Management to conduct the Company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits, require Board approval.

AUDIT AND RISK COMMITTEE

The names and qualifications of those appointed to the Audit and Risk Committee and their attendance at meetings of the Committee are included in the Directors' Report. For further information regarding the Audit and Risk Committee please refer to the Audit and Risk Committee Charter on the Company's website.

NOMINATION AND REMUNERATION COMMITTEE

The names of all the members of the Nomination and Remuneration Committee are detailed in the Directors' Report.

The amount of remuneration for all Directors and Executives, including all monetary and non-monetary components, are detailed in the Directors' Report under the heading Key Management Personnel Remuneration. Shares given to Executives are valued as the difference between the market price of those shares and the amount paid by the Executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best Executives to run the economic entity. It will also provide Executives with the

CORPORATE GOVERNANCE STATEMENT (continued)

necessary incentives to work to grow long-term Shareholder value.

For further information regarding the Nomination and Remuneration Committee please refer to the Nomination and Remuneration Committee Charter on the Company's website.

SHARE TRADING POLICY

With respect to share dealings and disclosures, the Company's Share Trading Policy regarding 'Restricted Persons' (including the Directors, Executives and Employees) dealing in its securities states the following:

- (a) consistent with the legal prohibitions on insider trading contained in the *Corporations Act 2001*, all Restricted Persons are prohibited from trading in the Company's securities (and any financial products issued or created over or in respect of the Company's securities) while in possession of unpublished price sensitive information.
- (b) Restricted Persons are required to receive clearance from the Board's Share Trading Committee and the Chairman prior to:
 - (i) undertaking any transaction in Company securities; or
 - (ii) entering into a margin loan facility in relation to their shareholding.
- (c) if a Restricted Person is considered to possess unpublished price sensitive information, they will be precluded from making a security transaction until 1 trading day after the time of public release of that information.
- (d) as required by the ASX Listing Rules, the Company will notify the ASX of all transactions of securities in the Company conducted by a Director of the Company.

The Company has a formally appointed Share Trading Committee to ensure that the Share Trading Policy is properly followed. At the date of this document, the members of the Share Trading Committee are Mr Stone, Mr. Trevisan and Mr. Murchison.

For further information regarding the Share Trading Committee please refer to the Share Trading Committee Charter and the Share Trading Policy on the Company's website.

DIVERSITY POLICY

In July 2011, the Company adopted a Diversity Policy.

All Executives are responsible for promoting and implementing diversity within the Company. This is supported by the Company's efforts to ensure gender based equity and transparency in the recruitment of Employees and the nomination of Board Members.

For further information please refer to the Diversity Policy on the Company's website.

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to access all relevant Company information, and may seek independent professional advice at the Company's expense, in connection with their duties and responsibilities. The Director must first obtain the prior written approval of a Non-Executive Director, not to be unreasonably withheld, before consulting with an advisor suitably qualified in the relevant field. A copy of the advice received by the Directors must be made available to all other members of the Board.

COMPLIANCE TO BEST PRACTICE RECOMMENDATIONS

The Board of Directors of Regalpoint Resources Limited is responsible for the Corporate Governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of Corporate Governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of Corporate Governance commensurate with the Company's needs.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in its future Annual Reports disclosing the extent to which the Company has followed the Recommendations.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	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.	The Company complies with this Recommendation.
1.2	Companies should disclose the process for evaluating the performance of Senior Executives.	The Board will monitor the performance of Senior Management, including measuring actual performance of Senior Management against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to Reporting on Principle 1</i> .	Due to the current size of the Company and its activities the Company does not currently comply with Recommendations 1.1 and 1.2. However, as stated, the Board will diligently monitor the performance of Senior Management, including measuring actual performance of Senior Management against planned performance.
2.	<i>Structure the Board to add value</i>	
2.1	A majority of the Board should be independent Directors.	<p>The Board has assessed the independence of the Non-Executive Directors and the Chairman using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1.</p> <p>The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of Directors are not independent. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of Management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all Directors bring an independent judgement to bear on Board decisions.</p>
2.2	The Chairperson should be an independent Director.	The Company's Chairman is The Honourable Shane L. Stone.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
2.3	The roles of Chairperson and Executive Directors should not be exercised by the same individual.	The Company's Executive Director is Mr Simon Trevisan.
2.4	The Board should establish a Nomination Committee.	<p>The Board has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee is comprised of:</p> <ul style="list-style-type: none">• Mr Simon Trevisan (Chair);• Mr Ian Murchison; and• The Honourable Shane L. Stone. <p>The Company is at variance with Recommendation 2.4, in that, the Nomination and Remuneration Committee does not consist of a majority of independent Directors. The Board considers that this composition is appropriate given the current size of the Company.</p>
2.5	Companies should disclose the process for evaluating the performance of the Board, its Committees and individual Directors.	<p>The performance of the Board, its Committees and individual Directors will be evaluated in accordance with a performance evaluation process.</p> <p>When appointed to the Board, a new Director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.</p>
2.6	Provide the information indicated in <i>Guide to Reporting on Principle 2</i> .	Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual Directors and Board Committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Managing Director.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
3.	<i>Promote ethical and responsible decision-making</i>	
3.1	<p>Establish a Code of Conduct and disclose the Code or a summary as to the Code as to:</p> <ul style="list-style-type: none">(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.	<p>The Company complies with this Recommendation.</p>
3.2	<p>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.</p>	<p>The Company adopted a Diversity Policy in July 2011. The Diversity Policy is available publicly on the Company's website.</p>

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
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.	<p>The Company will proactively monitor Company performance in meeting its diversity standards and policies by:</p> <ul style="list-style-type: none"> (a) the Board establishing, and reviewing on an annual basis, measurable objectives for achieving improvement in the diversity mix of the workforce and particularly gender diversity; (b) recruiting and managing on the basis of an individual's competence and performance; (c) creating a culture that empowers and rewards people to act in accordance with the Policy; (d) appreciating and respecting the unique attributes that each individual brings to the workplace; (e) fostering an inclusive and supportive culture to enable people to develop to their full potential; (f) ensuring we have clear reporting processes in place; (g) promoting diversity through our actions and interactions; (h) taking action to prevent and stop discrimination, bullying and harassment; and (i) actively monitoring recruitment, promotions and turnover and communicating statistics. <p>The Company has not had to recruit or employ anyone during the 2011/2012 financial year but will continue to uphold the Diversity Policy where and when appropriate.</p>
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.	Mrs Hudson (Company Secretary) is currently the only female Key Management Person; however given the small scale of the Company this represents 16.67% of the total Key Management Personnel.
3.5	Provide the information indicated in <i>Guide to Reporting on Principle 3</i> .	The Company's Diversity Policy is publicly available on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The Board should establish an Audit Committee.	<p>The Board has established an Audit and Risk Committee. The Audit Committee consists of three members being:</p> <ul style="list-style-type: none"> (a) Mr Ian Murchison (Chair); (b) Mr Simon Trevisan; and (c) The Honourable Shane L. Stone.
4.2	<p>Structure the Audit Committee so that it consists of:</p> <ul style="list-style-type: none"> (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. 	<p>The Company is at variance with Recommendation 4.2, in that, the Audit and Risk Committee does not consist of a majority of independent Directors. The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Audit and Risk Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.</p>
4.3	The Audit Committee should have a formal charter.	The Audit and Risk Committee Charter is publicly available on the Company's website.
4.4	Provide the information indicated in <i>Guide to Reporting on Principle 4</i> .	<p>The following material is included in the Corporate Governance Statement in the Company's Annual Reports:</p> <ul style="list-style-type: none"> (a) the names and qualifications of those appointed to the Audit and Risk Committee and their attendance at meetings of the Committee; (b) the number of meetings of the Audit and Risk Committee; (c) explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. <p>The following material is publicly available on the Company's website:</p> <ul style="list-style-type: none"> (a) the Audit and Risk Committee Charter.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
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.	The Company complies with this Recommendation.
5.2	Provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	Due to the current size of the Company and its activities the Company does not currently comply with Recommendation 5.2. However, the Board will diligently monitor activities to ensure disclosure requirements are met.
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.	<p>The Company complies with this Recommendation.</p> <p>The Company places a high priority on communication with Shareholders and is aware of the obligations it has under the <i>Corporations Act 2001</i> 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.</p>
6.2	Provide the information indicated in <i>Guide to Reporting on Principle 6</i> .	The Company complies with this Recommendation. The Company regularly and promptly provides all relevant information on the Company's website pertaining to all announcements made to the market and related information, all notices of meetings, explanatory texts and prospectuses and all financial reports as announced.
7.	<i>Recognise and manage risk</i>	
7.1	The Board or appropriate Board Committee should establish policies on risk oversight and management.	The Company has established an Audit and Risk Committee which is responsible for overseeing and approving Risk Management Strategy and Policies, internal compliance and internal controls.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that Management has reported to it as to the effectiveness of the Company's management of its business risks.	The Company's Risk Management Framework is supported by the Board of Directors, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's Risk Management Strategy and Policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.
7.3	<p>The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that:</p> <p>(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</p> <p>(b) the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.</p>	The Company has received this assurance from Executive Director, Mr Simon Trevisan.
7.4	Provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company will continue to recognise and manage risk in accordance with the methods referred to above and will explain any departures from Recommendations 7.1, 7.2 and/or 7.3 in its future reports if necessary.
8.	<i>Remunerate fairly and responsibly</i>	
8.1	The Board should establish a Remuneration Committee.	The Board has established a Nomination and Remuneration Committee.

CORPORATE GOVERNANCE STATEMENT (continued)

ITEM	RECOMMENDATION	COMMENT
8.2	<p>Structure the Remuneration Committee so that it consists of:</p> <ul style="list-style-type: none"> (a) a majority of independent Directors; (b) an independent Chairperson; and (c) at least three members. 	<p>The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies which reflect the matters set out in the commentary and guidance for Recommendation 8.1. Further details of the Nomination and Remuneration Committee are set out at point 2.4.</p> <p>The Company is at variance with Recommendation 8.2, in that, the Audit and Risk Committee does not consist of a majority of independent Directors. The Board considers that this composition is appropriate given the current size of the Company. Further, the Board considers that the Audit and Risk Committee is of a sufficient size and possesses sufficient technical expertise to discharge its mandate effectively.</p>
8.3	Clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executives.	<p>The structure of Non-Executive Directors' remuneration is clearly distinguished from that of Executives. Total remuneration for all Non-Executive Directors is not to exceed \$240,000 per annum.</p> <p>Neither the Non-Executive Directors nor the Executives of the Company receive any retirement benefits, other than superannuation.</p>
8.4	Provide the information indicated in <i>Guide to Reporting on Principle 8</i> .	<p>The following material is included in the Corporate Governance Statement in the Company's Annual Reports:</p> <ul style="list-style-type: none"> (a) the names of the members of the Nomination and Remuneration Committee and their attendance at meetings of the Committee; (b) the existence and terms of any schemes for retirement benefits, other than superannuation, for Non-Executive Directors; and (c) an explanation of any departures from Recommendations 8.1, 8.2, 8.3 or 8.4. <p>The Company's Nomination and Remuneration Committee Charter and the Company's Share Trading Policy are publicly available on the Company's website.</p>

25 September 2012

Regalpoint Resources Limited
Board of Directors
Lvl 14, 191 St Georges Tce
PERTH, WA 6000

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF
REGALPOINT RESOURCES LIMITED**

As lead auditor of Regalpoint 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:

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

This declaration is in respect of Regalpoint Resources Limited.



CHRIS BURTON
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Revenue from continuing operations	4	191,410	61,257
Accounting expenses		(43,824)	(44,366)
Legal expenses		(19,673)	(3,429)
Corporate and administrative expenses		(287,295)	(61,662)
Management and Service fees		(240,000)	(41,032)
Depreciation and amortisation expenses		(5,764)	(5,345)
Impairment of exploration expenditure write off	9	(3,614,233)	(105,015)
Tenements administration expenses		(8,048)	(5,178)
Other expenses from ordinary activities		(33,896)	(38,519)
LOSS BEFORE INCOME TAX		(4,061,323)	(243,289)
Income tax benefit	5	-	62,847
LOSS FOR THE YEAR		(4,061,323)	(180,442)
Loss is attributable:			
Owner of Regalpoint Resources Limited		(4,061,323)	(180,442)
NET LOSS FOR THE YEAR		(4,061,323)	(180,442)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(4,061,323)	(180,442)
Total comprehensive income for the year is attributable to ordinary equity holders of the Entity			
Owner of Regalpoint Resources Limited		(4,061,323)	(180,442)
Basic loss (cents per share)		6.01	0.60

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,177,414	4,828,563
Trade and other receivables	7	1,090,935	118,852
TOTAL CURRENT ASSETS		2,268,349	4,947,415
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,769	10,532
Exploration and evaluation expenditure	9	2,073,306	3,209,647
Prepayment of exploration and evaluation expenditure	10	54,215	70,966
TOTAL NON-CURRENT ASSETS		2,132,290	3,291,145
TOTAL ASSETS		4,400,639	8,238,560
CURRENT LIABILITIES			
Trade and other payables	11	268,731	104,690
TOTAL CURRENT LIABILITIES		268,731	104,690
TOTAL LIABILITIES		268,731	104,690
NET ASSETS		4,131,908	8,133,870
EQUITY			
Contributed Equity	12	9,758,246	9,758,246
Reserves	13	59,361	-
Accumulated Losses	15	(5,685,699)	(1,624,376)
TOTAL EQUITY		4,131,908	8,133,870

The statement of financial position is to be read in conjunction with the accompanying notes.

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

	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 01 JULY 2010	856,599	-	(1,443,934)	(587,335)
(loss) for the year	-	-	(180,442)	(180,442)
Total comprehensive income	-	-	(180,442)	(180,442)
Transactions with equity holders in their capacity as equity holders:				
Shares issued during the year from the conversion of Shareholders' loan	3,433,119	-	-	3,433,119
6,250,000 shares at 16 cents issued	1,000,000	-	-	1,000,000
25 million shares at 20 cents issued	5,000,000	-	-	5,000,000
Share issue costs	(531,472)	-	-	(531,472)
BALANCE AT 30 JUNE 2011	9,758,246	-	(1,624,376)	8,133,870
BALANCE AT 01 JULY 2011	9,758,246	-	(1,624,376)	8,133,870
(loss) for the year	-	-	(4,061,323)	(4,061,323)
Total comprehensive income	-	-	(4,061,323)	(4,061,323)
Transactions with equity holders in their capacity as equity holders:				
Employee share options	-	59,361	-	59,361
BALANCE AT 30 JUNE 2012	9,758,246	59,361	(5,685,699)	4,131,908

The statement of changes in equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Payments to suppliers and employees		(507,763)	(295,098)
Income tax received		-	62,847
Interest received		191,410	61,257
NET CASH FLOWS USED IN OPERATING ACTIVITIES	16	(316,353)	(170,994)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(3,056)
Payments for exploration and evaluation expenditure		(2,299,796)	(1,408,147)
Payment for Term Deposit		(1,035,000)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(3,334,796)	(1,411,204)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of share capital (net)		-	5,468,528
Proceeds from borrowings		-	896,951
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	6,365,479
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(3,651,149)	4,783,281
Cash and cash equivalents at beginning of period		4,828,563	45,282
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	1,177,414	4,828,563

The statement of cash flows is to be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) General Information

Regalpoint Resources Limited (**Company**) or (**Entity**) is a public Company listed on the Australian Securities Exchange (clicker: RGU), incorporated in Australia and operating in Australia. The financial report of the Company for the financial year ended 30 June 2012 comprises the Company. The address of the Company's registered office is Level 14, 191 St Georges Terrace, Perth WA 6000, Australia. The Company is primarily involved in the exploration of minerals.

The Company advises that in accordance with ASX Listing Rule 4.10.19 during the financial year ended 30 June 2012 it used its cash and assets that are readily convertible to cash in a way that is consistent with its business objectives.

(b) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with IFRS

The Financial Statements of the Company also comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standard Board (IASB).

The Directors have prepared the financial report on a going concern basis, as there are reasonable grounds to believe that the Company will be able to meet any obligations or liabilities as and when they become due and payable and no additional funding is required.

The Financial Statements were approved by the Board of Directors on 20 September 2012.

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

In the financial year ended 30 June 2012, all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for Annual Reporting periods beginning on or after 1 July 2011 have been reviewed. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the operations of the Entity and, therefore, no change is necessary to the accounting policies.

Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the Annual Reporting beginning 1 July 2011.

Historical cost conventions

The financial report has been prepared on an accrual basis and is based on historical costs *modified* by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The Financial Statements have been prepared on the going concern basis. As at 30 June 2012 the Company has incurred a net loss of \$4,061,323 including the write off of exploration expenditure of \$3,614,233 and cash outflows from operating activities of \$316,353. The Entity had net assets of \$4,131,908 and continues to incur expenditure on its exploration tenements drawing on its cash balances. At 30 June 2012, the Company has approximately \$1,177,414 in cash and cash equivalents, and investments in the form of a \$1,035,000, term deposit with Westpac-St George Bank, an AA rated Australian trading stock.

(c) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

(i) Significant Accounting Judgements

Exploration Expenditure

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves. Information may come to light in a later period which results in the asset being written off as it is not considered viable. During the year the Company has impaired (write off) exploration and evaluation expenditure of \$3,614,233 (2011: \$105,015).

(ii) Significant Accounting Estimates and Assumptions

Estimation of Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining useful life.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategic Steering Committee.

(e) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in equity.

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

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

(f) Cash and Cash Equivalents

'Cash and Cash Equivalents' includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and Other Receivables

Trade debtors are recognised as the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(h) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest Income

Interest income is recognised using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(i) Comparatives Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy. The values are included as a consequence of AASB 101 *Presentation of Financial Statements*.

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(k) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Entity. Trade accounts payable are normally settled within 60 days.

(l) Loans and Borrowings

Loans are recognised at their principal amount, subject to set-off arrangements. Borrowing costs are recognised as an expense when incurred.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the Taxation Authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the Statement of Financial Position date are recognised in respect of employees' services rendered up to Statement of Financial Position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Other long-term employee benefit obligations

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the Statement of Financial Position date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the Statement of Financial Position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the Entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Share-based payments

Share-based compensation benefits are provided to employees of the Company under Employee Option Plan and an Employee Share Scheme.

The fair value of options granted by the Company under Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(o) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Company is accumulated for each area of interest and recorded as an asset if:

- (a) the rights to tenure of the area of interest are current; and
- (b) at least one of the following conditions is also met:
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and/or
 - (ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

For each area of interest, expenditure incurred on the exploration of tenements throughout Australia is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the Statement of Comprehensive Income. The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(p) Impairment of Assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable

amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Company that generates cash flows that largely are independent from other assets and companies. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (company of units) on a pro rata basis.

(q) Property, Plant and Equipment

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

Plant & Equipment

Plant and equipment are measured on a 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets 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 depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11 - 33%
Motor vehicles	20%

(r) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short

term or if so designated by management and within the requirements of AASB 139: *Recognition and Measurement of Financial Instruments*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the *profit and loss* in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value

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

Impairment

At each reporting date, the Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(s) Contributed Equity

Ordinary shares are classified as Equity. Mandatorily redeemable preference shares are classified as Liabilities. 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.

(t) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- (i) the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- (ii) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- (i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- (ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(u) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently issued or amended but are not yet effective have not been adopted by the Entity for the year ended 30 June 2012. These are outlined in the table below.

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 9 (issued December 2010)	Financial Instruments (AASB 2009-11)	Amendments to the requirements for classification and measurement of financial assets and financial liabilities. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 01 January 2015	Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. The Entity has not yet made an assessment of the impact of these amendments.	01 January 2015
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]	Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP. Various name changes of statements in AASB 101 as follows: (a) Statement of Comprehensive Income – to be referred to as 'Statement of Profit or Loss and other Comprehensive Income' (b) statements – to be referred to as 'Statement of Profit or Loss' and 'Statement of Comprehensive Income'. OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.	1 July 2012	When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an Entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements and that adoption is only mandatory for the 30 June 2013 year end	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
AASB 13 (issued September 2011)	Fair Value Measurement	<p>AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the Statement of Financial Position or disclosed in the notes in the Financial Statements.</p> <p>Additional disclosures required for items measured at fair value in the Statement of Financial Position, as well as items merely disclosed at fair value in the notes to the Financial Statements.</p> <p>Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments</p>	1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.	1 July 2013
AASB 119	Employee Benefits	Employee benefits expected to be settled (as opposed to due to be settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	1 January 2013	When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date	1 July 2013
AASB 11 (issued August 2011)	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement).	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Entity has not entered into any joint arrangements.	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
IFRS (issued December 2011)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the Financial Statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 July 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company have exposure to the following risks from their use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

Regalpoint Resources Limited's Risk Management Framework is supported by the Board, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's Risk Management Strategy and Policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Company and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

The Entity holds the following financial instruments.

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Held to maturity investments	1,035,000	4,000,000
Cash and cash equivalents	1,177,414	828,563
Trade and other receivables	55,935	118,852
	2,268,349	4,947,415
FINANCIAL LIABILITIES		
Trade and other payable	268,731	104,690
	268,731	104,690

(b) Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(c) Credit Risk

Credit risk is the risk of financial loss to the Entity if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, deposits with banks, financial institutions and trade and other receivable. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Entity does not hold any credit derivatives to offset its credit exposure. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	2012 \$	2011 \$
Trade receivables		
<i>Counterparties without external credit rating *</i>		
Group 1	55,935	11,733
Group 2	-	107,119
	55,935	118,852
Cash at bank and short-term bank deposits		
AA	1,170,000	813,245
AA	7,414	15,318
	1,177,414	828,563
Held to maturity investments		
AA	1,035,000	4,000,000
	1,035,000	4,000,000

* Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Exposure to credit risk

The carrying amount of the Entity's financial assets represents the maximum credit exposure. The Entity's maximum exposure to credit risk at the reporting date was:

	2012 \$	2011 \$
Cash and cash equivalents	1,177,414	828,563
Trade and other receivables	55,935	118,852
Held to maturity investments	1,035,000	4,000,000
	2,268,349	4,947,415

NOTES TO THE FINANCIAL STATEMENTS (continued)

(d) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Entity and the Entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the Management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying Amount \$	Contractual Cash Flows \$	6 Months or less \$	6-12 Months \$	1-2 Years \$	2-5 Years \$
2012						
Trade and other payables	(268,731)	(268,731)	(268,731)	-	-	-
2011						
Trade and other payables	(104,690)	(104,690)	(104,690)	-	-	-

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices that will affect the Entity's income or the value of its holdings of financial instruments. The objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Foreign Currency Risk

The Entity has not been exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies, primarily the Australian dollar (AUD).

The Board does not consider the Company or the Entity is materially exposed to changes in foreign exchange rates. As a result, the Entity does not currently seek to mitigate its foreign currency exposures. The Board believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Interest Rate Risk

The Entity's exposure to interest rates primarily relates to the Entity's cash and cash equivalents and held to maturity investments. The Entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

Profile

At the reporting date the interest rate profile of the Company's and the Entity's interest bearing financial instruments was:

Variable Rate Instruments

	2012 \$	2011 \$
Financial Assets	1,177,414	4,828,563
Financial Liabilities	-	-
	1,177,414	4,828,563

The Entity manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts. The Entity's exposure to interest rate risk and effective weight average interest rate by maturing periods is set out in tables below:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Maturing within 1 Year	Non- Interest Bearing	Total
	2012 %	2012 \$	2012 \$	2012 \$	2012 \$
Financial Assets					
Cash and cash equivalents	4.28	1,177,414	-	-	1,177,414
Trade and other receivables		-	1,035,000	55,935	1,090,935
Total Financial Assets		1,177,414	1,035,000	55,935	2,268,349
Financial Liabilities					
Trade and other payables	-	-	-	268,731	268,731
Total Financial Liabilities	-	-	-	268,731	268,731

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Market Price Risk

The Entity is involved in the exploration and development of mining tenements for minerals. Should the Company successfully progress to a producer, revenues associated with mineral sales and the ability to raise funds through equity and debt will have some dependence upon commodity prices.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on forward treasury rate projections. This analysis assumes that all other variables remain constant.

A change of 100 basis points in interest rates would have increased or decreased the Entity's profit or loss by \$11,774.

	+1% (100 basis points)	-1% (100 basis points)
	2012	2012
	\$	\$
Cash and cash equivalents	11,774	(11,774)
	11,774	(11,774)

3. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker ('**CODM**'), which has been identified by the Company as the Chief Executive Officer and other members of the Board of Directors.

Management has determined that the Entity has only one reportable segment, being mineral exploration in Australia. As the Entity is focused on mineral exploration, the Board monitors the Entity based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Entity and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Segment information provided to the Executive Management Committee for the year ended 30 June 2012 is as follows:

	Segments Australia	Total
30 June 2012		
Revenue from external sources	-	-
Reportable segment profit/(loss)	(3,622,280)	(3,622,280)
Reportable segment assets	2,127,521	2,127,521
30 June 2011		
Revenue from external sources	-	-
Reportable segment profit/(loss)	(110,193)	(110,193)
Reportable segment assets	3,280,613	3,280,613

Other segment information

Segment Revenue

There is no segment revenue from external parties reported to the Executive Management Committee.

Reportable Segment profit/(loss)

The reportable segment expenditure included exploration expenditure write off \$3,614,233 (2011: 105,015) and expenditure from the operating segments such as segment insurance \$8,047 (2011: 5,178).

Adjusted EBITDA

The Executive Management Committee assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Reconciliation of reportable segment loss to the Statement of Comprehensive Income

	30 June 2012	30 June 2011
Reportable segment profit/(loss)	(3,622,280)	(110,193)
Other profit/(loss)		
• Interest revenue	191,410	61,257
Unallocated: Corporate expenses		
• Depreciation and amortisation	(5,764)	(5,345)
• Corporate and administration	(287,295)	(61,662)
• Management and service fee	(240,000)	(41,032)
• Accounting expenses	(43,824)	(44,366)
• Legal expenses	(19,674)	(3,429)
• Other expenses	(33,896)	(38,519)
• Income tax benefit	-	62,847
Profit/(Loss) after income tax benefit	(4,061,323)	(180,442)

There is no reportable segments' liabilities to be allocated based on the operations of the segment. The reconciliation of segments' assets to total assets and segments' liabilities to total liabilities are referred in the Statement of Financial Position as at 30 June 2012.

4. REVENUE

	2012 \$	2011 \$
Interest received from continuing operation	191,410	61,257
Revenue from rendering services	-	-
	191,410	61,257

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INCOME TAX BENEFIT

	2012 \$	2011 \$
Income tax benefit (R & D Tax Offset)	-	62,847

Tax Rates

The potential tax benefit in respect of tax losses not brought into account has been calculated at 30%.

Numerical reconciliation between tax expenses and pre-tax net loss

Income tax benefit at the beginning of the year	-	-
Loss before income tax expense	(4,061,323)	(243,289)
Income tax benefit calculated at rates noted above	(1,218,397)	(72,987)
Tax effect on amounts which are not tax deductible	22,825	83
R & D Tax offset underprovided	-	62,847
Movement in deferred tax asset not brought to account	1,195,572	72,904
Income tax benefit	-	62,847

Deferred tax assets not brought to account

Unused tax losses	7,238,175	4,356,220
Timing difference	(1,759,560)	(2,826,483)
Tax at 30%	1,643,585	458,921

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Company continues to comply with the conditions for deductibility imposed by Law; and no changes in tax legislation adversely affect the ability of the Company to realise these benefits.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Cash at bank	27,414	828,563
Short-term bank deposits	1,150,000	4,000,000
	1,177,414	4,828,563

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2012	2011
	\$	\$
Balance as above	1,177,414	4,828,563
Balance per statement of cash flows	1,177,414	4,828,563

(b) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Terms of short-term bank deposits

	2012	2011
	\$	\$
Maturing within 1 to 3 months	1,150,000	4,000,000
	1,150,000	4,000,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRADE AND OTHER RECEIVABLES

	2012 \$	2011 \$
CURRENT		
Trade debtors	-	11,733
Other debtors ^(a)	55,935	107,119
Income tax receivables	-	-
Other receivables ^(b)	1,035,000	-
	1,090,935	118,852

(a) Impaired Trade Receivable

There is no impaired trade receivables for the Company in 2012 or 2011.

	2012 \$	2011 \$
1 to 3 months	55,935	11,733
3 to 6 months	-	107,119
	55,935	118,852

(b) Other Receivables

The Company has a financial asset in the form of a \$1,035,000 – maturing 3 -12 months term deposit with Westpac-St George a AA rated Australian trading bank.

(c) Foreign exchange and interest rate risk

Information about the Company's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

(d) Fair value and credit risk

Due to the short-term nature of the trade receivables the carrying amount is assumed to approximate their fair value. The exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the Risk Management Policy of the Company and the credit quality of the Entity's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. PROPERTY, PLANT & EQUIPMENT

	Plant & Equipment 2012	Plant & Equipment 2011
Balance 1 July 2011	10,532	12,822
Additions	-	3,055
Disposals	-	-
Depreciation for the year	(5,763)	(5,345)
Carrying value at 30 June 2012	4,769	10,532
At 30 June 2012		
At cost	28,619	28,619
Accumulated depreciation	(23,850)	(18,087)
Net carrying amount	4,769	10,532

9. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure carried forward in respect of mining areas of interest:

	2012 \$	2011 \$
Exploration, evaluation and development costs carried forward in respect of areas of interest (net of amounts written off)	2,073,306	3,209,647
Reconciliation		
Carrying amount at the beginning of the year	3,209,647	1,800,717
Expenditure during the year – exploration	2,455,369	1,513,945
Reallocation of Exploration Expenditure during the year	22,523	-
Exploration Expenditure written off during the year	(3,614,233)	(105,015)
Carrying amount at the end of the year	2,073,306	3,209,647

The recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. PREPAYMENT OF EXPLORATION AND EVALUATION EXPENDITURE

Prepayment of exploration and evaluation expenditure carried forward in respect of mining areas of interest:

	2012 \$	2011 \$
Prepayment of Exploration, evaluation and development costs carried forward in respect of areas of interest (net of amounts written off)	54,215	70,966
Reconciliation		
Carrying amount at the beginning of the year	70,966	187,639
Exploration Expenditure during the year under application	17,753	43,528
Reallocation of Exploration Expenditure during the year	(22,523)	(149,900)
Prepayment exploration expenditure written off during the year	(11,981)	(10,301)
Carrying amount at the end of the year	54,215	70,966

11. TRADE AND OTHER PAYABLES

	2012 \$	2011 \$
Trade creditors and accruals	268,731	104,690
	268,731	104,690

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CONTRIBUTED EQUITY

A reconciliation of the movement in capital for the Entity can be found in the Statement of Changes in Equity.

	2012	2011
	\$	\$
Contributed equity as at 1 July 2011	9,758,246	856,599
Share issued during the year from conversion of Shareholders' loan	-	3,433,119
6,200,000 Ordinary shares issued at 16 cents per shares	-	1,000,000
25,000,000 Ordinary shares issued fully paid on 30 May 2011 at 20 cents per shares	-	5,000,000
Less: Share issued cost	-	(531,472)
Balance at end of the year	9,758,246	9,758,246

There is no movement of contributed equity during the financial year ended 30 June 2012.

Ordinary shares

The holder of ordinary shares is entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

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

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

Options

During or since the end of the year, the Company has options over unissued ordinary shares:

Class	Expiry Date	Exercise Price	Date Granted	Number of Options
Bonus Options	31 March 2014	\$0.20	30 May 2011	66,328,948
Director Options	20 January 2013	\$0.20	1 December 2011	700,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

Capital Management

When managing capital, the Board's objective is to ensure the Entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Entity.

The Board is constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing Management may issue new shares, sell assets to reduce debt or consider payment of dividends to Shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. There were no changes in the Entity's approach to capital management during the year. The Entity is not subject to any externally imposed capital requirements.

13. RESERVES

Option Reserve

The option reserve is used to record the value of the share based payments provided to employees, consultants and for options issued pursuant to any acquisitions or in exchange for services.

	2012 \$	2011 \$
Reserve at the beginning of the year	-	-
Share based payment	59,361	-
Reserve at the end of the year	59,361	-

14. SHARE BASED PAYMENT

The primary purpose of the Director options is to provide incentive to the participating Directors to drive the Company's assets forward.

Options Granted

During the year ended 30 June 2012, the Company granted 700,000 options issued to Mr Nicholas Burn, Chief Executive Officer of Regalpoint Resources Limited, on 01 December 2011. The below are summaries of options granted to the Directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
1/12/2012	26/05/2016	\$0.20	-	700,000	-	-	700,000	700,000
Weight average exercise price			-	\$0.20	-	-	\$0.20	\$0.20

Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. No options expired during the periods covered by the above tables.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2012 was \$0.20 (2011 – not applicable).

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.56 years (2011 – not applicable).

Options granted by the Company are not based on performance criteria due to the size, its current stage of activities and its relatively small number of employees.

Options Expensed

Option expenses related to options issued to Directors in the current year, with the expenses being recognised over the vesting period. There was no option granted in prior period which are vesting or vested during the period.

The fair value of option at grant date is independently determined using a Black Scholes option valuation methodology that takes into account the exercise price.

The following share based payment was made through the issue of equity:

	Number of Options	Value of options issued	Options expensed during the year **
Issue of Tranche A management options exercisable at \$0.20, vesting immediately and expiring five years from issue	700,000	59,361	59,361
Total	700,000	59,361	59,361

** Options calculated on a per day ratio

NOTES TO THE FINANCIAL STATEMENTS (continued)

The following are model inputs for options issued during the 2012 year:

Input	Tranche A
Underlying share price	\$0.20
Exercise price	\$0.20
Expected volatility	110%
Expiry date	26 May 2016
Expected dividends	-
Risk free interest rate	3.48%

The options will be expensed over their vesting period in accordance with AASB 2. In the Statement of Financial Position all of the Tranche A options have been expensed.

Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished.

15. ACCUMULATED LOSSES

	2012 \$	2011 \$
Accumulated loss at the beginning of the year	(1,624,376)	(1,443,934)
Net profit/(loss) attributable to Shareholders	(4,061,323)	(180,442)
Accumulated loss at end of the year	(5,685,699)	(1,624,376)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. CASH FLOW INFORMATION

Reconciliation of cash flow from operations activities with the loss from continuing operations after income tax.

	2012 \$	2011 \$
Non-cash flows in profit from ordinary activities		
Net (Loss) after Income Tax	(4,061,323)	(180,442)
Depreciation & Amortisation	5,764	5,345
Employee option expense	59,361	-
Impairment	3,614,233	-
Changes in assets & liabilities from operating activities		
(Increase)/Decrease in receivables	51,184	(83,102)
(Increase)/Decrease in income tax	-	-
Increase/(Decrease) in creditor & accruals	14,428	87,205
Cash flow from Operating Activities	(316,353)	(170,994)

17. COMMITMENTS

The **commitment** expenditure at reporting date is as follow:

Management Fees Commitment

Regalpoint Resources Limited has entered into an agreement between Transcontinental Investments Pty Ltd trading as the Transcontinental Group (**Transcontinental Group**) and the Company dated 14 February 2011. The Company agreed to retain Transcontinental Group to provide administration services to the Company on the terms and conditions set out in the Agreement.

Administration services include all administration and management services and guidance including:

- (a) administrative, management, corporate, advisory and other similar services;
- (b) management of third party professional and expert services including legal and audit and investment banking, independent technical expert and other services required to conduct an IPO and list on a stock exchange;
- (c) head office support services including provision of office space for the Company's CEO and one other Company appointee, shared access to Transcontinental Group's office IT and telecommunications equipment and access to third party provided communications systems and support;

NOTES TO THE FINANCIAL STATEMENTS (continued)

- (d) company secretarial, administrative support, accounting, payroll business analysis and recruitment and employee administration services; and
- (e) other administration services as may be requested from time to time by the Company's Board of Directors and as agreed by Transcontinental Group.

Under the Agreement the Company must pay a monthly fee of \$20,000 (plus GST) to Transcontinental Group plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by Transcontinental Group on behalf of the Company.

The initial term of the Agreement is two years from the date the Company is listed on the ASX and thereafter on the same terms unless and until the Agreement is terminated on six months' written notice from either party.

Subject to certain notice requirements, the Agreement may also be terminated in certain circumstances, including material and substantial breach of the Agreement, grave misconduct or willful neglect in the discharge of a party's duties and responsibilities under the Agreement or where one party to the Agreement is placed under administration, a Receiver or Manager is appointed or has an order made for it to be wound up.

Simon Trevisan (a Director of the Company) is a Director and Shareholder of the Transcontinental Group.

	2012 \$	2011 \$
Not later than one year	220,000	240,000
Later than one year but not later than five years	-	220,000
Later than five years	-	-
TOTAL	220,000	460,000

Tenements Commitment

The expenditure required to maintain exploration tenements in which the Entity has an interest in.

	2012 \$	2011 \$
Not later than one year	1,170,146	480,976
Later than one year but not later than five years	1,773,913	1,823,906
Later than five years	-	364,781
TOTAL	2,944,059	2,669,663

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. LOSS PER SHARE

The calculation of basic loss per share at 30 June 2012 was based on the loss attributable to ordinary Shareholders of \$4,061,323 (2011: \$180,442) and a weighted average number of ordinary shares outstanding during the year of 67,605,280 (2011: 30,138,318).

	2012 \$	2011 \$
Basic loss per share	6.01	0.60

(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS

Loss attributable to ordinary Shareholders

Loss after tax	(4,061,323)	(180,442)
Loss used in the calculation of EPS	(4,061,323)	(180,442)

(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

Weighted average number of ordinary shares (WANOS)	Number 2012	Number 2011
Weighted average number of ordinary shares	67,605,280	30,183,318

Diluted loss per share must be calculated where potential ordinary shares on issues are dilutive. As the potential ordinary shares on issue would decrease the loss per share in the current period, they are not considered dilutive and are not shown.

19. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties:

	2012 \$	2011 \$
Remuneration of the Auditor for :		
BDO Audit (WA) Pty Ltd		
• Auditing or reviewing the financial report	31,000	19,500
BDO Corporate Finance Pty Ltd		
• Corporate services (Independent accountant's report for inclusion in a prospectus)	-	15,185
BDO Tax (WA) Pty Ltd		
• Tax compliance services	-	12,920
• Other service	-	-
Balance at the end of period	31,000	47,605

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2012.

21. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 22.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transaction occurred with related parties for the year ended 30 June 2012.

	2012	2011
	\$	\$
Other transactions		
Management Fee to Transcontinental Investments	240,000	51,290
	240,000	51,290

The aggregate amount recognised during the year relating to Key Management Personnel and their related parties were as follows:

Director	Transaction	Transactions Value for the Year Ended 30 June		Balance Outstanding as at 30 June	
		2012	2011	2012	2011
Simon Trevisan (Director and controlling Shareholder of Transcontinental Investments Pty Ltd)	Office space and equipment rent, company secretarial and accounting fees	240,000	51,290	-	-

Notes in relation to the table of related party transactions.

A Company associated with Mr. Trevisan provides office space, office equipment and supplies and corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

- (a) company secretarial and accounting, corporate governance and reporting and administration support, management of the Company's website, management of third party professional and expert service providers including legal, accounting, tax, audit and investment banking, independent technical expert and other services associated with proper administration of a listed public Company;
- (b) operating, marketing, strategic and financial activities required in relation to the Company's Australian mining and exploration projects; and
- (c) provision of 'A' grade office space in a central business district office for the Company's main corporate office including use of IT, photocopying and other office equipment and supplies.

The Company must pay a monthly fee of \$20,000 (plus GST) to Transcontinental Investments plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by Transcontinental Investments on behalf of the Company during the month.

22. KEY MANAGEMENT PERSONNEL DISCLOSURE

Names and positions held of Key Management Personnel in office at anytime during the financial year are:

Directors

Shane L. Stone	(Chairman)
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Nicholas Burn	(Chief Executive Officer – resigned 20 July 2012)
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Simon Trevisan	(Executive Director)
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Ian Murchison	(Non-Executive Director)
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Richard Lockwood	(Non-Executive Director)
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Robert Pett	(Non-Executive Director)
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Other Key Management Personnel

Fleur Hudson	(Company Secretary – appointed 06/05/2010)
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Key Management Personnel Compensation

The Key Management Personnel Compensation disclosed below represents an allocation of the Key Personnel's estimated compensation in relation to their services rendered to the Company.

The individual Directors and Executive compensation comprised as at 30 June 2012. The details are contained in the Remuneration Report in the Directors' Report set out on pages 19 to 26.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Directors	2012 \$	2011 \$
Short-term benefits to Directors	600,000	249,488
Share-based payments to Directors	59,361	-
Post-employment benefits	27,000	17,359
TOTAL	686,361	266,847

Equity instruments disclosure relating to Key Management Personnel

Shareholdings

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Company, including their personally related parties, are set out below.

2012 Name	Balance at the start of the year	Allotment during the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Regalpoint Resources Limited					
Ordinary Shares					
Shane L. Stone ¹	1,034,207	-	-	-	1,034,207
Nicholas Burn ²	10,000	-	-	-	10,000
Simon Trevisan ³	17,207,982	-	-	-	17,207,982
Richard Lockwood ⁴	2,668,457	-	-	-	2,668,457
Robert Pett ⁵	1,875,717	-	-	-	1,875,717
Ian Murchison ⁶	4,539,460	-	-	-	4,539,460
Other Key Management Personnel of Regalpoint Resources Limited					
Ordinary Shares					
Fleur Hudson ⁷	150,000	-	-	-	150,000

Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Relevant interest as beneficiary of Rosslee Holdings Pty Ltd (N & P Burn Superannuation Fund A/c). Mr Burn has resigned on 20 July 2012.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.

Note 4: Indirect interest as beneficial holder of shares held by Nefco Nominee Pty Ltd.

Note 5: Relevant interest as Director and controlling Shareholder of Batterbury Holdings Pty Ltd.

Note 6: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 7: 50% interest under own name and Jeremy Hudson – 50% indirect interest as a spouse of Fleur Hudson.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2011 Name	Balance at the start of the year	Allotment during the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Regalpoint Resources Limited					
Ordinary Shares					
Shane L. Stone ¹	1,034,207	-	-	-	1,034,207
Nicholas Burn ²	-	-	-	10,000	10,000
Simon Trevisan ³	17,207,982	-	-	-	17,207,982
Richard Lockwood ⁴	2,668,457	-	-	-	2,668,457
Robert Pett ⁵	1,875,717	-	-	-	1,875,717
Ian Murchison ⁶	4,539,460	-	-	-	4,539,460
Other Key Management Personnel of Regalpoint Resources Limited					
Ordinary Shares					
Fleur Hudson ⁷	150,000	-	-	-	150,000

Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Relevant interest as beneficiary of Rosslee Holdings Pty Ltd (N & P Burn Superannuation Fund A/c). Mr Burn has resigned on 20 July 2012.

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd.

Note 4: Indirect interest as beneficial holder of shares held by Nefco Nominee Pty Ltd.

Note 5: Relevant interest as Director and controlling Shareholder of Batterbury Holdings Pty Ltd.

Note 6: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 7: 50% interest under own name and Jeremy Hudson – 50% indirect interest as a spouse of Fleur Hudson.

Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Regalpoint Resources Limited and other Key Management Personnel of the Entity, including their personally related parties, are set out below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2012 Name	Balance at the start of the year	Granted as compensation	Exercised	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Directors of Regalpoint Resources Limited							
Option Holdings							
Shane L. Stone ¹	838,155	-	-	-	838,155	838,155	-
Nicholas Burn ²	12,500	700,000	-	-	712,500	712,500	-
Simon Trevisan ³	12,905,987	-	-	-	12,905,987	12,905,987	-
Richard Lockwood ⁴	2,110,093	-	-	-	2,110,093	2,110,093	-
Robert Pett ⁵	1,406,788	-	-	-	1,406,788	1,406,788	-
Ian Murchison ⁶	3,404,595	-	-	-	3,404,595	3,404,595	-

Other Key Management Personnel of Regalpoint Resources Limited

Option Holdings

Fleur Hudson ⁷	187,500	-	-	-	187,500	187,500	-
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Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Relevant interest as beneficiary of Rosslee Holdings Pty Ltd (N & P Burn Superannuation Fund A/c).

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd. Mr Burn has resigned on 20 July 2012.

Note 4: Indirect interest as beneficial holder of shares held by Nefco Nominee Pty Ltd.

Note 5: Relevant interest as Director and controlling Shareholder of Batterbury Holdings Pty Ltd.

Note 6: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 7: 50% interest under own name and Jeremy Hudson – 50% indirect interest as a spouse of Fleur Hudson.

2011 Name	Balance at the start of the year	Granted as compensation	Exercised	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Directors of Regalpoint Resources Limited							
Option Holdings							
Shane L. Stone ¹	838,155	-	-	-	838,155	838,155	-
Nicholas Burn ²	-	-	-	12,500	12,500	12,500	-
Simon Trevisan ³	12,905,987	-	-	-	12,905,987	12,905,987	-
Richard Lockwood ⁴	2,110,093	-	-	-	2,110,093	2,110,093	-
Robert Pett ⁵	1,406,788	-	-	-	1,406,788	1,406,788	-
Ian Murchison ⁶	3,404,595	-	-	-	3,404,595	3,404,595	-
Other Key Management Personnel of Regalpoint Resources Limited							
Option Holdings							
Fleur Hudson ⁷	187,500	-	-	-	187,500	187,500	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1: Relevant interest as a beneficiary of S & J Stone Pty Ltd (Stone Family Superannuation Fund).

Note 2: Relevant interest as beneficiary of Rosslee Holdings Pty Ltd (N & P Burn Superannuation Fund A/c).

Note 3: Relevant interest as Director and controlling Shareholder of Transcontinental Investments Pty Ltd. Mr Burn has resigned on 20 July 2012.

Note 4: Indirect interest as beneficial holder of shares held by Nefco Nominee Pty Ltd.

Note 5: Relevant interest as Director and controlling Shareholder of Batterbury Holdings Pty Ltd.

Note 6: Interest as controlling Shareholder of Tenalga Pty Ltd.

Note 7: 50% interest under own name and Jeremy Hudson – 50% indirect interest as a spouse of Fleur Hudson.

Individual Key Management Personnel Compensation Disclosures

Information regarding individual Key Management Personnel Compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 19 to 26.

Other Key Management Personnel Transactions with the Company

A number of Key Management Personnel or their related parties hold positions in other Entities that result in them having control or significant influence over the financial or operating policies of those Entities. A number of those Entities transacted with the Company during the year. The terms and conditions of those transactions were no more favorable than those available or, which might reasonably be expected to be available, on similar transactions to unrelated Entities on an arm's length basis.

See Note 21 for further details.

23. EVENTS AFTER REPORTING DATE

Mr Nicholas Burn resigned as Chief Executive Officer of the Company effective from 20 July 2012.

On 20 July 2012, the Company announced that Chief Executive Officer Mr Nicholas Burn has tendered his resignation from the Company. Consequent to Mr Burn's departure the unlisted employee options issued to Mr Burn on 01 December 2011 as detailed above will now expire on 20 January 2013. Further, the second and third tranches of options as approved at the 2011 AGM have been extinguished.

DIRECTORS' DECLARATION

In the opinion of the Directors of Regalpoint Resources Limited:

- (a) the Financial Statements and Notes set out on pages 40 to 81 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and other mandatory professional reporting requirements.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1;
- (c) there are reasonable grounds to believe that Regalpoint Resources Limited will be able to pay its debts as and when they become due and payable; and
- (d) the Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Financial Officer for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Board of Directors.



Simon Trevisan

Executive Director

Dated at Perth, Western Australia, this 25th of September 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGALPOINT RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Regalpoint Resources Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(b), 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. Those 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Regalpoint Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company'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(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in 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 Regalpoint Resources Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, Western Australia
Dated this 25th day of September 2012

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is as at 31 August 2012.

(a) Distribution of equity securities as at 31 August 2012:

Listed Fully Paid Ordinary Shares	Number of Holders	Number of Shares
1 - 1,000	5	130
1,001 - 5,000	4	15,500
5,001 - 10,000	99	977,068
10,001 - 100,000	201	7,005,573
100,001 - and over	51	59,607,009
Total	360	67,605,280

(b) Top twenty equity holders at 31 August 2012:

Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
1 TRANSCONTINENTAL INVESTMENTS PTY LTD	17,207,982	25.45%
2 BEDFORD INVESTMENTS PTY LTD	6,055,551	8.96%
3 NEFCO NOMINEES PTY LTD	4,935,457	7.30%
4 HSBC CUSTODY NOMINEES AUSTRALIA LTD	4,750,000	7.03%
5 TENALGA PL	4,539,460	6.71%
6 BATTERBURY HOLDINGS PTY LTD	1,875,717	2.77%
7 ELINORA INVESTMENTS PTY LTD	1,695,000	2.51%
8 RAH STC PTY LTD	1,475,000	2.18%
9 NATIONAL NOMINEES LTD	1,260,417	1.86%
10 BRAHMA FINANCE BVI LTD	1,200,000	1.78%
11 RAKICH DENIS IVAN	1,005,673	1.49%
12 ARREDO PTY LTD	1,000,000	1.48%
13 ANCESTRAL PTY LTD	958,145	1.42%
14 JASPER HILL RES PTY LTD	947,500	1.40%
15 S & J STONE PTY LTD	909,207	1.34%
16 TALEX INVESTMENTS PTY LTD	900,000	1.33%
17 FGL ASSET MANAGEMENT LTD	700,000	1.04%
18 SHERTIM INVESTMENTS PTY LTD	625,239	0.92%
19 QUEENSLAND M M PTY LTD	530,500	0.78%
20 LEE PHILLIP	500,000	0.74%
	53,070,848	78.49%

(c) Top twenty option holders at 31 August 2012:

Listed Options Holders		Number of Shares	Percentage of Shares
1	TRANSCONTINENTAL INVESTMENTS PTY LTD	12,905,987	19.46%
2	HSBC CUSTODY NOMINEES AUSTRALIA LTD	8,281,250	12.49%
3	NEFCO NOMINEES PTY LTD	4,937,593	7.44%
4	BEDFORD INVESTMENTS PTY LTD	4,776,038	7.20%
5	TENALGA PTY LTD	3,404,595	5.13%
6	RAKICH DENIS IVAN	2,204,255	3.32%
7	NATIONAL NOMINEES LTD	2,148,437	3.24%
8	BRAHMA FINANCE BVI LTD	1,500,000	2.26%
9	BATTERBURY HOLDINGS PTY LTD	1,406,788	2.12%
10	ARREDO PTY LTD	1,250,000	1.88%
11	LE CLEZIO BERNARD M F	1,200,000	1.81%
12	TALEX INVESTMENTS PTY LTD	1,125,000	1.70%
13	TUAHANAS PTY LTD	879,375	1.33%
14	FGL ASSET MANAGEMENT LTD	875,000	1.32%
15	ANCESTRAL PTY LTD	749,859	1.13%
16	S & J STONE PTY LTD	681,905	1.03%
17	LEE PHILLIP	625,000	0.94%
18	ACTIONETTE PTY LTD	625,000	0.94%
19	QUEENSLAND M M PTY LTD	625,000	0.94%
20	SHERTIM INVESTMENTS PTY LTD	468,929	0.71%
		50,670,011	76.39%

(d) Substantial Shareholders

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

	Number of Shares	Percentage of Ordinary Shares
Transcontinental Investments Pty Ltd	17,207,982	25.45%
Bedford Investments Pty Ltd	6,055,551	8.96%
Tenalga Pty Ltd	4,539,460	6.71%

(e) Voting rights

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

SCHEDULE OF MINERAL LICENCE INTERESTS

State	Lease	Lease Status	Grant Date	Project	Current Percentage of Interest
Western Australia Tenements					
WA	E04/2165	Application		King Leopold	0%
WA	E04/1877	Granted	26/10/2009	King Leopold	100%
WA	E09/1651	Granted	16/09/2010	Curbur North	100%
WA	E09/2867	Granted	26/06/2012	Marymia	100%
WA	E80/3993	Granted	30/09/2010	King Leopold	100%
WA	E80/4211	Granted	14/12/2009	King Leopold	100%
WA	E80/4263	Granted	15/03/2010	King Leopold	100%
WA	E80/4264	Granted	1/03/2011	King Leopold	100%
WA	E80/4265	Granted	1/03/2011	King Leopold	100%
WA	E80/4311	Granted	27/07/2010	King Leopold	100%
South Australia Tenements					
SA	EL3976	Granted	5/11/2007	Lake Gregory	100%
SA	EL3977	Granted	5/11/2007	Lake Gregory	100%
Queensland Tenements					
QLD	EPM16502	Application		Peters Creek	0%
QLD	EPM16510	Application		Peters Creek	0%
QLD	EPM16980	Application		Paroo Range	0%
QLD	EPM16431	Granted	19/05/2008	Kitchen Creek	100%
QLD	EPM16435	Granted	19/05/2008	Warby	100%
QLD	EPM16503	Granted	26/07/2012	Peters Creek	100%
QLD	EPM16625	Granted	6/07/2009	Leichhardt River	100%
QLD	EPM16626	Granted	22/02/2010	Leichhardt River	100%
QLD	EPM16923	Granted	18/12/2009	Paroo Range	100%
Northern Territory Tenements					
NT	EL26098	Application		Adelaide River	0%
NT	EL26091	Granted	26/11/2007	Cameron Downs	100%
NT	EL26094	Granted	6/05/2008	Rum Jungle	100%
NT	EL26322	Granted	30/06/2008	Harrison Dam	100%