

REGALPOINT RESOURCES LTD
(ABN 12 122 727 342)
(Formerly Regalpoint Exploration Ltd)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

**REGALPOINT RESOURCES LTD
(ABN 12 122 727 342)
(Formerly Regalpoint Exploration Ltd)**

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2010.

Directors

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

Mr. Anthony A Trevisan (resigned 30/06/2010)
Mr. Simon Trevisan
Mr. Ian Mackenzie Murchison
Mr. Robert James Pett
Mr. Malcolm Castle (appointed 21/01/2010)
Mr. Shane Leslie Stone (appointed 27/01/2010)
Mr. Richard Lockwood (appointed 29/03/2010)

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal Activity

The principal activity of the entity during the financial period was mining exploration.

The company has changed its name from 'Regalpoint Exploration Ltd' to 'Regalpoint Resources Ltd' on 16th March 2010. There were no other changes in the entity's activities during the year.

Operating Results

The loss of the entity for the year to 30 June 2010 after providing for income tax amounted to \$848,165 (30 June 2009: Loss \$307,234).

Review of Operations

During the period the entity has focused on mining exploration.

Dividends

No dividends have been paid or declared since the start of the financial period.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that is likely, in the opinion of the Directors, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

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DIRECTORS' REPORT (cont'd)

Auditors Independence Declaration

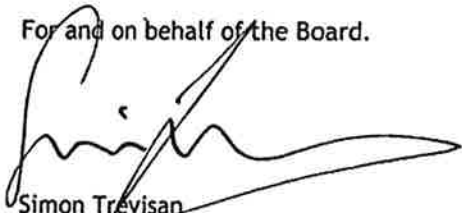
The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included on page 4 of the financial report.

Auditors

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

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

For and on behalf of the Board.



Simon Trevisan
Executive Director

Signed at Perth this 13th December 2010

REGALPOINT RESOURCES LTD
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	30 June 2010 \$	30 June 2009 \$
Revenue from continuing operations		6,325	3,604
Other income		-	-
Employee expenses		-	-
Accounting expenses		(27,774)	(21,054)
Legal expenses		(25,885)	(1,078)
Depreciation and amortisation expenses		(9,874)	(1,969)
Management fee		(120,000)	(120,000)
Consulting fee		(31,123)	-
Impairment of prepaid expenses		(24,461)	-
Borrowing cost expenses		-	(4)
Impairment of Exploration expenses		(479,188)	(320,746)
Tenements administration expenses		(36,663)	(38,506)
Other expenses		(99,522)	(62,510)
		<u>(848,165)</u>	<u>(562,263)</u>
Income tax benefit	2	-	255,029
Loss for the year after tax		<u>(848,165)</u>	<u>(307,234)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(848,165)</u></u>	<u><u>(307,234)</u></u>
Total comprehensive income for the year attributable to ordinary equity holders of the entity Regalpoint Resources Ltd		<u><u>(848,165)</u></u>	<u><u>(307,234)</u></u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Contributed Equity \$	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2008	856,599	(288,535)	568,064
Total comprehensive income for the year	-	(307,234)	(307,234)
<i>Transactions with equity holders in their capacity as equity holders:</i>			
Shares issued during the year	-	-	-
Total recognised compressive income and expenditure for the year	-	(307,234)	(307,234)
Balance as at 30 June 2009	856,599	(595,769)	260,830
Balance as at 1 July 2009	856,599	(595,769)	260,830
Total comprehensive income for the year	-	(848,165)	(848,165)
<i>Transactions with equity holders in their capacity as equity holders:</i>			
Shares issued during the year	-	-	-
Total recognised compressive income and expenditure for the year	-	(848,165)	(848,165)
Balance as at 30 June 2010	856,599	(1,443,934)	(587,335)

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

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are special purpose financial statements for the reporting year ended 30 June 2010 and have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Accounting Interpretations and the *Corporations Act 2001*.

Regalpoint Resources Ltd is a company limited by shares, incorporated and domiciled in Australia.

(a) Basis of Preparation of Financial Statements

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following Accounting Standards and Australian Accounting Interpretations.

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards
AASB 110:	Post Balance Date Events

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group to discharge its liabilities in the normal course of business.

(ii) Change in accounting policy

In the financial year ended 30 June 2010, 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 2009 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.

The Entity has adopted the following new mandatory Standards issued by the AASB.

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income, items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity; and
- other financial statements are renamed in accordance with the Standard.

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FOR THE YEAR ENDED 30 JUNE 2010

(d) 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.

(e) 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 Group 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.

(f) Revenue recognition

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

Interest

Revenue is recognised as interest accrues 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.

(g) 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*.

(h) Provisions

Provisions are recognised when the Group 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.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

(l) Exploration and Evaluation Expenditure (cont'd)

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

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- 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
- 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.

(m) 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.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

(p) Going Concern

As a result of the losses incurred during the current year \$848,165 and negative net assets of \$587,335 the company will only continue to be a going concern so long as it continues to have the support of its shareholders. Without this support, the company will cease to be a going concern.

(q) 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.

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.

(r) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the 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.

Long Service Leave

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 expect 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.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

7. EXPLORATION & EVALUATION EXPENDITURE

	30 June 2010	30 June 2009
	\$	\$
Opening	1,481,715	1,296,373
Paid during the year	748,939	506,088
Transfer of prepaid exploration expenditure	49,251	-
	<u>2,279,905</u>	<u>1,802,461</u>
Less: Impairment cost	(479,188)	(320,746)
Closing	<u>1,800,717</u>	<u>1,481,715</u>

8. ISSUED CAPITAL

36,000,000 Ordinary shares issued fully paid on 31st July 2008 to capitalise the shareholder loans at that date

856,599	856,599
<u>856,599</u>	<u>856,599</u>

The holders of Ordinary shares are entitled to exercise at any meeting of the Company one vote for each share held. The holders are entitled on a winding -up the Company to receive a distribution of all surplus assets remaining after the repayment of the amount paid up on all shares in the capital of the Company.

Capital Management Risk

Capital is defined as the wealth owned or employed in the Company. The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits of other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares and sell.

9. ACCUMULATED LOSSES

Accumulated loss at start of year	(595,769)	(288,535)
Net profit /(loss) attributable to shareholders	(848,165)	(307,234)
	<u>(1,443,934)</u>	<u>(595,769)</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

14. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for service provided by the auditor of the entity, its related auditing or reviewing the financial report.

	30 June 2010	30 June 2009
<u>Audit and other assurance services</u>	\$	\$
Audit and review of financial report	15,679	6,500
Other assurance services	-	.
Total remuneration for audit and other assurance services	<u>15,679</u>	<u>6,500</u>
<u>Taxation services</u>		
Tax compliance services related to consulting and advice	7,441	8,820
Total remuneration for taxation services	<u>7,441</u>	<u>8,820</u>
Total remuneration for BDO (WA) Pty Ltd	<u>23,120</u>	<u>15,320</u>

15. EVENTS OCCURRING AFTER THE BALANCE DATE

There is no subsequent post balance date event at the reporting date.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

16. CHANGE IN ACCOUNTING POLICY (cont'd)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application Date of Standard	Application Date for Company	Impact on Initial Application
AASB 2009-10	Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132]	Accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. The amendment clarifies that such transactions must be treated as equity.	1.2.2010	1.7.2010	As the entity has not made any such rights issues, the amendment will not have any effect on the entity.
AASB 2009-12	Revised AASB 124 <i>Related Party Disclosures</i>	Simplifies disclosure requirements for government-related entities and clarifies the definition of related party.	1.1.2011	1.7.2011	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.
AASB 5	Non-current Assets Held for Sale and Discontinued Operations	Clarifies that disclosures required for non-current assets classified as held for sale or discontinued operations are limited to those required by AASB 5	1.1.2010	1.7.2010	There will be no impact as these requirements are only required to be applied prospectively to disclosures for non-current assets classified as held for sale or discontinued operations.
AASB 2009-14	Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement	The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity. It recognise an asset for a prepayment of contributions made to cover minimum funding requirements	1.1.2011	1.7.2011	The group does not make any such prepayments. The amendment is therefore not expected to have any impact on the group's financial statements

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**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2010**

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the directors of Regalpoint Resources Ltd:

- a) the financial statements and notes, as set out on pages 5 to 22, are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2010 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 the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that Regalpoint Resources Ltd will be able to pay its debts as and when they become due and payable;
- c) the directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the managing director and executive director for the year ended 30 June 2010.
- d) the consolidated entity has included in the notes to the financial statements, our explicit and unreserved statement of compliance with International Financial Reporting Statements

This declaration is made in accordance with a resolution of the directors and signed for on behalf of the board by:


.....
Simon Trevisan
Director

Dated at Perth, Western Australia 13th December 2010



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* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.


Auditor's Opinion

In our opinion:

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 entity's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO Audit


Chris Burton
Director

Perth, Western Australia
Dated this 13th day of December 2010