

*Regalpoint
Corp. Volume.*

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

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FOR THE YEAR ENDED 30 JUNE 2009**

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**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2009. The Company was incorporated on 17th November 2006, and the comparative period is for the year ended 30 June 2008.

Directors

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

Mr. Anthony A Trevisan
Mr. Simon Trevisan
Mr. Oliver Kreuzer (resigned 1/10/2008)
Mr. Ian Mackenzie Murchison
Mr. Robert James Pett
Mr. Shane Stone (resigned 4/08/2008)

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 in type from being a proprietary company limited to a public company limited on 9th of October 2008 and that its name change accordingly to 'Regalpoint Exploration Ltd'. 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 2009 after providing for income tax amounted to \$307,234 (period to 30 June 2008: Loss \$174,660).

Review of Operations

During the period the entity has focused on the 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 period 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.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the Directors believe, on reasonable grounds, that the inclusion of such information would be speculative and not in the best interests of the entity.

Indemnifying of Directors and Officers

During or since the end of the period the Company has not given an indemnity nor entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

Options

No options were granted during or since the end of the financial year to any of the directors or other officers of the Company. No director or other officer of the Company holds any options over unissued shares of the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company 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.


Environmental Regulation

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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



Simon Trevisan
Director
Dated this 12 January 2010



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128 Hay Street
Subiaco, WA 6008
PO Box 700, West Perth WA
Australia 6872

12th January 2010

The Directors
Regalpoint Exploration Limited
Ground Floor (West)
225 St Georges Tce
PERTH WA 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF REGALPOINT EXPLORATION LIMITED

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

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

B G McVEIGH
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009

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.

The Directors of the Company declare that

1. the financial statements and notes, as set out on pages 6 to 20, are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2009
 - (c) and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Date at Perth this 12 January 2010


Simon Trevisan
Director

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	30 June 2009	30 June 2008
		\$	\$
Revenue		-	-
Other income		3,604	1,484
Employee expenses		-	-
Depreciation expense		-	-
Borrowing cost expense		(4)	(3)
Impairment cost		(320,746)	-
Other expenses		(245,117)	(176,141)
Profit/(Loss) before Income tax from continuing operation		<u>(562,264)</u>	<u>(174,660)</u>
Income tax expense	2	<u>255,029</u>	-
Profit/(Loss) attributable to members of Regalpoint Exploration Pty Ltd		<u>(307,234)</u>	<u>(174,660)</u>

The above Income Statement should be read in conjunction with the accompanying notes.

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	30 June 2009 \$	30 June 2008 \$
Current assets			
Cash and cash equivalents	3	34,844	35,474
Trade and other receivables	4	268,053	43,881
Total current assets		<u>302,897</u>	<u>79,355</u>
Non-current assets			
Exploration and evaluation expenditure	7	1,481,715	1,296,373
Prepayment of exploration expenditure		280,351	-
Property, plant & equipment	5	21,082	23,051
Total non-current assets		<u>1,783,148</u>	<u>1,319,424</u>
Total Assets		<u>2,086,044</u>	<u>1,398,779</u>
Current liabilities			
Trade and other payables	6	352,996	257,325
Short-term borrowings	6	1,472,218	573,390
Total current liabilities		<u>1,825,215</u>	<u>830,715</u>
Total liabilities		<u>1,825,215</u>	<u>830,715</u>
Net assets/(liabilities)		<u>260,830</u>	<u>568,064</u>
Equity			
Issued capital	8	856,599	856,599
Accumulated losses	9	(595,769)	(288,535)
Total equity/(deficiency)		<u>260,830</u>	<u>568,064</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

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

	Share Capital - Ordinary \$	Retained Earnings \$	Total \$
Balance at 1 July 2007	20,000	(113,875)	(93,875)
Shares Issued	836,599	-	836,599
Losses for the period	-	(174,660)	(174,660)
Total recognised income and expenditure for the period	<u>-</u>	<u>(174,660)</u>	<u>(174,660)</u>
Balance at 30 June 2008	<u>856,599</u>	<u>(288,535)</u>	<u>568,064</u>
Balance at 1 July 2008	856,599	(288,535)	568,064
Shares Issued	-	-	-
Losses for the year	-	(307,234)	(307,234)
Total recognised income and expenditure for the year	<u>-</u>	<u>(307,234)</u>	<u>(307,234)</u>
Balance at 30 June 2009	<u>856,599</u>	<u>(595,769)</u>	<u>260,830</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	30 June 2009 \$	30 June 2008 \$
Cash flow from operating activities			
Payments in the course of operations		(437,369)	(118,732)
Interest received		3,604	1,484
Net cash inflow/(outflow) from operating activities	10	<u>(433,765)</u>	<u>(117,248)</u>
Cash flow from Investing activities			
Payments for property, plant and equipment		-	(19,248)
Payments for exploration		(185,342)	(685,467)
Prepayments for exploration		(280,351)	-
Net cash inflow/(outflow) from investing activities		<u>(465,693)</u>	<u>(704,715)</u>
Cash flow from financing activities			
Proceeds from share issue		-	-
Proceeds from borrowings		898,828	863,467
Net cash inflow/(outflow) from financing activities		<u>898,828</u>	<u>863,467</u>
Net increase/(decrease) in cash held		(630)	41,504
Cash at the start of the financial year		<u>35,474</u>	<u>(6,030)</u>
Cash at the end of the financial year	3	<u>34,844</u>	<u>35,474</u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report requirements of the Corporations Act 2001. The directors have determined that the Company is not a reporting entity.

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

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

No other applicable Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Refer Note 14 for changes in accounting policies compared to the previous financial year.

**REGALPOINT EXPLORATION LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

Income Tax

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

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

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

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

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.

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 the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows 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.

**REGALPOINT EXPLORATION LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

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%

Revenue recognition

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

Inventories

Nil.

Acquisitions of assets

Items of property, plant and equipment are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, and depreciated as outlined above.

Employee benefits

Nil.

**REGALPOINT EXPLORATION LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 income statement.

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.

Goods and services tax (GST)

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

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

Going Concern

As a result of the losses incurred during the current year \$307,234 and positive net assets of \$260,830 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.

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

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.

Exploration and Evaluation Expenditure

Exploration and Evaluation costs are recorded as actual costs incurred on the Exploration of Tenements throughout Australia.

Treatment on impairment of Exploration Asset

At the reporting date, there are some tenements of Exploration asset that were surrendered during the year and are treated as impairment costs. All the impairment costs of surrendered tenements have been recognised in the income statement.

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

2. INCOME TAX EXPENSE

	30 June 2009	30 June 2008
	\$	\$
Income tax expense/(refund)	255,029	-

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,599	2,229
Bank Guarantee	33,245	33,245
	34,844	35,474

4. TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	942	16,000
Other debtors	12,082	27,881
Income tax receivable	255,029	-
	268,053	43,881

5. PROPERTY, PLANT AND EQUIPMENT
PLANT AND EQUIPMENT

At cost	25,020	25,020
Accumulated depreciation	(3,938)	(1,969)
	21,082	23,051
 Total	 21,082	 23,051

Reconciliation of the carrying amounts is set out below.

	Plant & equipment	Plant & equipment
	\$	\$
Balance at the beginning of year	23,051	5,772
Additions	-	19,248
Depreciation expense	(1,969)	(1,969)
Carrying amount at end of year	21,082	23,051

REGALPOINT EXPLORATION LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

6. TRADE AND OTHER PAYABLES (CURRENT)

	30 June 2009	30 June 2008
	\$	\$
Trade creditors and accruals	352,996	257,325
Payable to shareholders	1,472,218	573,390
	<u>1,825,215</u>	<u>830,715</u>

7. EXPLORATION & EVALUATION EXPENDITURE

Opening	1,296,373	610,906
Paid during the year	506,088	685,467
	<u>1,802,461</u>	<u>1,296,373</u>
Less: Impairment cost	(320,746)	-
Closing	<u>1,481,715</u>	<u>1,296,373</u>

8. ISSUED CAPITAL

20,000 Ordinary shares issued fully paid	856,599	20,000
35,980,000 Ordinary shares issued fully paid on 31st July 2008 to capitalise the shareholder loans at that date	-	836,599
	<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.

The Corporation Regulations 2001 abolished the notion of authorised capital and per value of shares; therefore these have not been disclosed.

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.

REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009

9. ACCUMULATED LOSSES

	30 June 2009	30 June 2008
	\$	\$
Accumulated loss at start of year	(288,535)	(113,875)
Net profit /(loss) attributable to shareholders	(307,234)	(174,660)
Accumulated loss at end of year	(595,769)	(288,535)

10. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit from continuing operations after income tax:

<u>Non-cash flows in profit from ordinary activities</u>		
Profit/(loss) after Income Tax	(562,264)	(174,660)
Depreciation & Amortisation	1,969	1,969
<u>Changes in assets & liabilities net of purchase & disposal of Subsidiaries.</u>		
(Increase) / Decrease in receivables	30,857	(29,248)
Increase / (Decrease) in creditor & accruals	95,672	84,691
Cash flow from Operating Activities	(433,765)	(117,248)

There was no non-cash financing and investing activities during the financial year.

11. ADDRESS OR REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Company's registered office and principal place of business is at Ground Floor, 225 St George's Terrace, Perth, Western Australia 6000

**REGALPOINT EXPLORATION LTD
(ABN 12 122 727 342)**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

12. COMMITMENTS AND CONTINGENT LIABILITIES

There are no contingent items at reporting date.

13. 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 2009	30 June 2008
	\$	\$
<u>Audit and other assurance services</u>		
Audit and review of financial report	6,500	10,500
Other assurance services	-	4
Total remuneration for audit and other assurance services	<u>6,500</u>	<u>10,504</u>
<u>Taxation services</u>		
Tax compliance services related to consulting and advice	<u>8,820</u>	<u>11,440</u>
Total remuneration for taxation services	<u>8,820</u>	<u>11,440</u>
Total remuneration for BDO Kendalls (WA) Pty Ltd	<u>15,320</u>	<u>21,944</u>

**REGALPOINT EXPLORATION LTD
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

14. CHANGE IN ACCOUNTING POLICY

The company has not changed any accounting policy during the year. Below are details and impacts of accounting standards issued, not yet effective.

AASB reference	Title and Affected Standard(s):	Nature of Change	Application Date of Standard	Application Date for Company	Impact on Initial Application
AASB 2007-3	Amendments to Australian Accounting Standards [AASB 5, 6, 102, 107, 119, 127, 134, 136, 1023 & 1038]	Non Current Assets	1.1.2009	1.7.2009	There will be no future financial impacts on the financial statements.
AASB 2007-6	Amendments to Australian Accounting Standards [AASB-1, 101, 107, 111, 116 & 138]	First time adoption of AIFRS	1.1.2009	1.7.2009	There will be no future financial impacts on the financial statements.
AASB 2007-8	Amendments to Australian Accounting Standards AASB 101	Presentation of Financial Statements	1.1.2009	1.7.2009	As these changes result in a reduction of Australian-specific disclosures, there will be no impact on amounts recognised in the financial statements.
AASB 2007-10	Amendments to Australian Accounting Standards	Replaces the term financial report with term used in corresponding IFRS	1.1.2009	1.7.2009	As these changes result in a reduction of Australian-specific disclosures, there will be no impact on amounts recognised in the financial statements.
AASB 123	AASB 123	Borrowing Costs The revised AASB 123: Borrowing costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	1.1.2009	1.7.2009	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement dated for capitalisation is on or after 1 January 2009. As such, there will be no impact on prior period financial statements when this standard is adopted.
AASB 2008-2	AASB 7	Financial Instruments: Disclosures	1.1.2009	1.7.2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.

AASB-8	Operating Segments AASB 114				The company will not be adopting these standards and therefore they will have no impact on the preparation of the financial statements.
AASB-3	Business Combinations				
AASB Interpretation 12 (Issued February 2007)	Service Concession Arrangements				
AASB 2008-1 (Issued February 2008)	Share based payments AASB-2				
AASB 2008-3	AASB-1				
AASB 127	Consolidated and Separate Financial Statements				



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

We have audited the accompanying financial report, being a special purpose financial report, of Regalpoint Exploration Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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* 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 Exploration Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

B G McVEIGH
Director

Dated this 12th day of January 2010
Perth, Western Australia