LAMBOO RESOURCES LIMITED

ABN 27 099 098 192

2012 ANNUAL REPORT

LAMBOO RESOURCES

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of the Directors, it gives me great pleasure to present to you the 2012 annual report for Lamboo Resources Limited.

During the year, your Company transformed itself from a struggling medical biotechnology company into a leading graphite explorer through the acquisition of advanced exploration projects in the East Kimberley of Western Australia and Northern New South Wales.

The success of the $7 million equity fundraising, which exceeded expectations, had enabled the Company to accelerate its exploration plans. At the date of this report, approximately 70 RC drill holes had been completed with assay results imminent.

High value flake graphite has been identified in our tenements in the East Kimberley. Our primary goal will be to undertake further drilling of the host graphitic schist to confirm the quantum and quality of graphite. The Company is planning to have sufficient data to produce a JORC resource for the project in the first quarter of 2013.

Our graphite projects are well placed near an existing haul road that connects with the Great Northern Highway 300 kilometres south of the port of Wyndham. These good logistics and the potential for a significant graphite deposit will provide the impetus for the Company's exploration and potential development of a graphite deposit.

The European Commission has listed graphite as a critical raw material. The US lists 100% net import reliance in 2011 for graphite, amongst other nonfuel minerals such as rare earths. In 2011 the British Geological Survey listed Graphite just behind Rare Earths, and ahead of lithium in terms of supply criticality.

Worldwide demand for graphite slowly began to increase during the last half of 2009 and continued increasing steadily throughout 2010 and into 2011. Innovative refining techniques have enabled the use of improved graphite in carbon-graphite composites, electronics, foils, friction materials and special lubricant applications. Large scale fuel-cell applications are being developed that could consume as much graphite as all other uses combined. The industrial focus for high end applications is on flake graphite, which is essential for producing batteries, specifically lithium-ion, and for use in consumer electronics. Graphene developments appear likely to be another driver of flake graphite demand.

I would like to publically acknowledge the efforts of my fellow Directors throughout the year. Your Managing Director, Richard Trevillion has worked tirelessly arranging both the acquisition of the exploration projects and subsequent equity fundraising. I also would like to thank Craig Rugless and Rod Williams for their work with the restructure and subsequent to the re-listing that has enabled the exploration program on our graphite project to move along at a rapid pace.

Your Board believes that the future of your Company is secure with an exciting portfolio of projects, an experienced exploration team and an aim of seeing the Company making the move from explorer to producer in the near future.

Rick Anthon
Chairman
25 October 2012

CORPORATE DIRECTORY

Board of Directors

Rick Anthon	Chairman
Richard Trevillion	Managing Director and CEO
Craig Rugless	Executive Technical Director
Rod Williams	Non-Executive Director

Company Secretary

Paul Marshall

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Auditors HLB Mann Judd Level 19, 207 Kent Street Sydney NSW 2000 Telephone: 02 9020 4000 Fax: 02 9020 4190 Website: www.hlb.com.au	**Share Registry** BoardRoom Pty Ltd Level 7 207 Kent Street Sydney NSW 2000 Telephone: 1300 737 760 Facsimile: 1300 653 459 Website: www.boardroomlimited.com.au

DIRECTORS' REPORT

Your Directors present their report on Lamboo Resources Limited (formerly Fluorotechnics Limited) and its controlled entities for the year ended 30 June 2012.

DIRECTORS

The names and details of the Directors and Company Secretary of Lamboo Resources Limited (Lamboo Resources) in office at the date of this report or at any time during the financial year are:

Name	Position	Period of Directorship
Richard Trevillion	Executive Chairman and CEO	Appointed 20 December 2010
Craig Rugless	Executive Director	Appointed 21 May 2012
Rod Williams	Non-Executive Director	Appointed 21 May 2012
Rick Anthon	Non-Executive Director	Appointed 19 June 2012
Brian Pethica	Executive Director	Appointed 20 December 2010, resigned 6 June 2012
Rick Taylor	Executive Director	Appointed 19 December 2001, resigned 14 June 2012

Richard Trevillion
Executive Chairman

Richard Trevillion is a qualified solicitor and graduate of the Manchester School of Management (University of Manchester) with honours. He has further post graduate qualifications in law, marketing and finance.

Richard trained as a solicitor with a global top 10 law firm Hogan Lovells and practiced at Simmons & Simmons before moving to investment banking latterly at Close Brothers as a director. Richard moved from investment banking to partner with businesses as a principal and equity investor.

Richard is the founder of Amity Partners and Adillion Pty Ltd, both principal financial investment and corporate consulting businesses. Both businesses have a variety of investment positions in growth businesses across the globe. He has not been a Director of any other Australian listed company in the last three years.

Craig Rugless
Executive Technical Director

Dr Craig Rugless is an economic geologist who has over 40 years of experience in exploration and project development in Australia and Oceania and 9 years as the Director of a public company. Dr Rugless has been involved with the management of exploration programs in Kalgoorlie and Mt. Gibson in Western Australia that contributed to the location of significant ore deposits.

In addition to working for major companies including Australian Anglo American Ltd and Homestake Australia Ltd, Dr Rugless has developed a successful consultancy to the exploration industry and provided services such as detailed mineragraphic/petrographic studies, PIMA (Portable Infrared Mineral Analysis) mineral deposit vectoring studies based on alteration assemblages and innovative geochemical surveys for numerous base and precious metal deposits. The studies have been conducted in a variety of geological terrains ranging in age from Archaean to Tertiary and involving most styles of mineralisation, including epithermal gold – silver deposits (Australia, Fiji), epigenetic gold deposits (WA goldfields, Ghana & Canada), platinum group metals (PGM) associated with layered mafic/ultramafic complexes (WA, South Africa, USA), komatiitic and gabbroid style nickel – copper – cobalt deposits (WA Goldfields & Kimberley, Canada, USA), sedimentary copper and stratabound SEDEX zinc – lead deposits (Kazakhstan, Canada, Australia), porphyry copper – gold – molybdenum deposits (Chile, Kazakhstan, Fiji) and volcanogenic massive sulphide (VMS) copper – zinc – lead – gold - silver deposits (Australia, Fiji, Canada).

Other Listed Company Directorships in the past three years:
- 3D Resources Limited (resigned January 2009)

Rod Williams
Non-Executive Director

Rod Williams is a geologist with over 40 years' experience in mineral exploration, evaluation, project development and mining. Following employment with WMC Ltd on base metal exploration, he moved to Rosebery, Tasmania with Electrolytic Zinc, being involved in underground mining and exploration for six years. In 1979 he moved to CSR Ltd. and for the majority of the next nine years managed exploration and evaluation in SE Australia for a range of base and precious metals. In 1988 he joined Hill Minerals (later Ashton Mining Limited) in WA being responsible for gold exploration in the Leonora area.

From 1991 to 1993 he was involved in evaluation and development as Group Development Geologist. From 1993 to 1996 he consulted to number of companies in the WA gold industry. From 1996 he worked for Burdekin Pacific Ltd, becoming Exploration Manager in 1997. From 2000 to 2003 he was employed part time with Burdekin and otherwise engaged in geological consulting, project generation, evaluation and resource modeling plus pit optimization.

Since 2004 he has been involved in project generation and consulting geological services. From 2005 to early 2012 he was the Technical Director of Xanadu Mines Limited. From March 2012 he became a non-executive Director of Xanadu Mines Limited. Activities in Mongolia for Xanadu Mines Limited included locating and drilling out a +300Mt coal resource under the JORC Code. Xanadu Mines Limited listed on the Australian Stock Exchange (ASX) in December 2010.

Other Listed Company Directorships in the past three years:
- Xanadu Mines Limited (appointed December 2010)

Rick Anthon
Non-Executive Director

Rick Anthon BA (ANU) LLB (ANU) MAICD is the Managing Partner of the Queensland law firm Hemming+Hart. He has practiced extensively in corporate, mining and resources law for over 20 years. He has advised on numerous acquisitions, joint ventures, and debt and capital raisings both in Australia and overseas. Additionally, Rick has acted as non-executive Director and chairman for a number of public resource companies over the last 20 years and has previously chaired audit and remuneration committees for those companies.

Other Listed Company Directorships in the past three years:
- Renison Consolidated Mines NL (appointed June 1996)
- Metals Finance Ltd (appointed October 2010)
- Stratum Metals Ltd (appointed October 2011)
- International Coal Ltd (listed August 2011 resigned November 2011)
- Baru Resources Ltd (listed September 2011 resigned July 2012)

Brian Pethica
Executive Director (resigned 6 June 2012)

Dr Pethica worked for Ciba-Geigy in Basel, Switzerland, as a group head in the Medical Department, Pharmaceutical Division, then as Medical Director in New Zealand. Following the merger of Ciba-Geigy and Sandoz he was Medical Director of Novartis New Zealand. He subsequently joined Flemings in London as a biotechnology equities research analyst. After the acquisition of Flemings he was Vice President, Biotechnology Equity Research for Europe for JPMorgan Chase. He was Chairman of BrainZ Instruments Ltd (ASX: BZI) in 2008-9 and negotiated the sale of its assets to Natus Medical (NASDAQ: BABY).

Dr. Pethica was educated at Oxford University (mathematics) and London University (medicine), and was in medical practice for over 7 years. He is a Fellow of the Faculty of Pharmaceutical Physicians, Royal College of Physicians, London and a current member of the Medicines Assessment Advisory Committee, New Zealand.

Rick Taylor
Executive Director (resigned 14 June 2012)

Rick was a founder and Chairman of Fluorotechnics Limited. He is a chartered accountant with 30 years experience and is a member of the Australian Institute of Company Directors.

He was formerly a tax partner for 20 years with Deloitte and its antecedent firms. In this role, he was a lead partner in structuring and advising on mergers and acquisitions, helping companies IPO and structuring funding arrangements across a broad range of industries.

He has strategy and management expertise gained from establishing and leading the Deloitte Australia Private Equity Team and from being a member of their National Tax Executive. For 4 consecutive years, Rick was voted one of Australia's top ten recommended tax advisors in surveys conducted by the International Tax Review journal.

Rick was a Director of Hunter Hall International Limited until he resigned on 29 April 2010. Besides Fluorotechnics and Hunter Hall International, he has not been a Director of any other Australian listed company in the last three years.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Lamboo Resources Limited are shown in the table below:

Director	Ordinary Shares	Ordinary Shares under escrow	Options
Richard Trevillion	126,040	2,700,000	-
Craig Rugless	25,000	10,500,000	-
Rod Williams	10,000	7,000,000	-
Rick Anthon	250,000	-	-

SENIOR MANAGEMENT

The names and details of the Company's key management personnel during the financial year and until the date of this report are as follows:

Paul Marshall
Company Secretary

Paul Marshall is a Chartered Accountant. He holds a Bachelor of Law degree, and a post-Graduate Diploma in Accounting and Finance. He has over 25 years experience having worked for Ernst and Young for ten years, and subsequently more than fifteen years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies, mainly in the resources sector. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities.

CORPORATE INFORMATION

Corporate Structure

Lamboo Resources is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). Lamboo Resources has prepared a consolidated financial report encompassing the entities that it controlled or had significant influence over during the financial year.

Lamboo Resources had the following subsidiaries during the financial year:

- Lamboo Resources No.1 Pty Ltd
- McKintosh Resources Limited
- Gel Company Pty Ltd
- Gelcompany GmbH[1]

[1] Placed in administration on 20 October 2011.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the course of the year the principal activity of the Consolidated Entity changed from being a biotechnology company to being a mineral exploration company. Following a recapitalisation and a relisting on ASX on 8 June 2012, the Consolidated Entity has commenced exploration activity on its projects in Western Australia and New South Wales.

CURRENCY

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

OPERATING RESULTS

For the year ended 30 June 2012, the loss for the Consolidated Entity after providing for income tax was $4,736,892 (2011: loss of $2,402,326).

REVIEW OF FINANCIAL POSITION

Capital structure

At 30 June 2012 the Company had 67,152,886 ordinary shares (including 23,905,765 shares under escrow) and 1,041,667 unlisted options on issue.

Treasury policy

The Board controls the funds which are handled on a day to day basis by the Company Secretary.

Liquidity and funding

Cash includes cash on hand and deposits with banks readily convertible to cash which is used in the cash management function on a day to day basis.

Dividends

No dividends were paid during the financial year ended 30 June 2012 (2011: nil) and no dividend is recommended for the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company's historic business was the development and manufacture of fluorescent compounds and fluorescence based kits for the global biotechnology industry. Unfortunately due to the 'Global Financial Crisis' and changes to the pharmaceutical industry the business model was deemed unsustainable. Consequently the Company decided in 2010 to wind down its operations and seek acquisition opportunities.

During the second half of 2011 the Company announced it would focus on acquiring resource assets. On 13 February 2012 the Company announced that it had obtained options to acquire Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd. The options were exercised on 5 March 2012, with shareholders subsequently approving the transactions on 21 May 2012.

The tenements owned by Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd comprise advanced exploration projects in the East Kimberley area of Western Australia, and Northern NSW. The project tenements are either under application or granted.

In June 2012 the Company completed a capital raising of $7,000,000 (before costs) to provide funding for the exploration of the projects acquired.

REVIEW OF OPERATIONS

Exploration

The Company's tenements include advanced exploration projects at McIntosh and Halls Creek in the East Kimberley of Western Australia and at Valla in Northern New South Wales. The project tenements contain drill-ready targets for flake graphite, molybdenum, silver, copper and gold. The prime focus of the Company is its McIntosh flake graphite project in the East Kimberley area.

McIntosh

The McIntosh Project tenements have been expanded to cover an area of 330 km^2 over the important Paleoproterozoic Tickalara Metamorphics that host the graphitic schist horizons. Petrographic studies have confirmed that flake graphite dominates in the graphitic schist. Geological mapping, supported by Input and Hoistem aerial geophysical signatures indicate that the target graphitic schist horizons extend over an aggregate strike length of more than 10 km and have an average thickness in excess of 50 m. .

Preliminary auger drilling has shown that the graphitic schist is relatively fresh near the surface. Systematic RC drill hole traverses will aim to confirm the quantum and quality of the graphite and lead to a JORC resource for the graphitic schist horizons.

Auger drilling of Target 2 has confirmed the presence of higher-grade flake graphite Target 2 represents one of at least four identified graphitic schist targets within the project area. Target 2 extends over a strike length of 2 km and will represent the initial focus of the planned RC drilling program.

The Company has announced it has secured a contract RC drilling rig capable of rapidly drilling the graphitic schist horizon and is planning to undertake at least 5000 m of drilling. The air capacity of the RC rig should keep the holes dry ensuring that the sample assays are reliable and will be JORC compliant. Similar graphite horizons have been successfully RC drilled on the Eyre Peninsular in South Australia and have been supported by diamond drilling. A similar approach will be employed by Lamboo Resources at McIntosh where it is planned to drill until the commencement of the wet season, expected in late November.

Halls Creek

The Halls Creek Project comprises of 3 Exploration Licence Applications and 8 Prospecting Licence Applications totaling 651 km2 in area and containing numerous gold and gold/copper prospects. The tenements under application are located in the vicinity of Halls Creek and extend up to 20 km to the northeast, 25 km northwest and 20 km north of the town. All of the tenements under application cover diverse styles of mineralization, including lode style gold – silver and copper mineralization.

Valla

The Valla Project comprises exploration licence EL 6702, located 40km south-southwest of Coffs Harbour, in Northern New South Wales. The primary target is molybdenum (Mo) mineralization associated with the leucocratic Valla Adamellite. Marriott's quarry, occurring on the margin of the intrusive, contains strongly anomalous Mo values (>100 ppm Mo) over a strike length of 400 m. Mo grades up to 10% Mo have been achieved by Niton XRF analyses and represent an immediate drilling target.

Silver lodes occur peripherally to the intrusive and include the high grade Tewinga silver deposit that was worked intermittently up to 1935. Historical records indicate that the lodes were up to 400 m long and returned very high grades up to 200 ozs to the ton (ie 6000 g/t Ag). The Valla Project offers the advantage of being able to work and deliver results on a separate exploration program during the monsoonal season in north west Australia.

Compliance Statement

Information in this report relating to Exploration Results and geological data has been compiled by Dr. Craig S. Rugless who is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute Geoscientists. Dr. Rugless is the Technical Director of Lamboo Resources Limited. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition). Dr. Rugless consents to the public release of this report in the form and context in which it appears. Neither Dr. Rugless nor Lamboo Resources Limited takes any responsibility for selective quotation of this Statement or if quotations are made out of context.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

During FY 2012/2013, the Company will continue to develop its existing exploration assets whilst also actively looking for new advanced projects that could become profitable mining projects in the near future.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to environmental regulations in relation to its exploration activities. The Directors are not aware of any significant breaches during the period covered by this report.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2012 and the number of meetings attended by each Director.

	Meetings attended	Eligible to attend
Richard Trevillion	23	25
Craig Rugless	3	3
Rod Williams	3	3
Rick Anthon	-	-
Brian Pethica	19	24
Rick Taylor	19	25

There are no committees of directors. All relevant matters are considered by the Board.

INDEMNIFICATION OF OFFICERS OR AUDITOR

Each of the Directors and the Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company and certain indemnification to those Directors and Secretary.

The Company has insured all of the Directors of Lamboo Resources Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

The Company has not indemnified its auditor.

PROCEEDINGS ON BEHALF OF THE 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 purposes 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.

SHARE OPTIONS

At balance date there were a total of 1,041,667 shares under options:

Number of Options	Exercise Price	Vesting Date	Expiry Date
1,041,667	0.48	4 June 2012	20 December 2012

Details of options issued, exercised and expired during the financial year are set out below:

		Movements				
Expiry Date	Exercise Price	1 July 2011	Issued	Exercised	Expired	30 June 2012
28 February 2012	$0.55	39,063	-	-	(39,063)	-
31 October 2011	$1.00	500,000	-	-	(500,000)	-
20 December 2012	$0.48	-	1,041,667	-	-	1,041,667
		539,063	1,041,667	-	(539,063)	1,041,667

No shares in Lamboo Resources Limited were issued during the year on exercise of options granted.

Options subject to shareholder approval

Directors

On 14 June 2012, the Company announced it had entered into option deeds with Richard Trevillion, Craig Rugless and Rod Williams for the grant of options on the terms and conditions set out below:

Director	Number of options	Exercise Price	Expiry Date
Richard Trevillion	4,000,000	20 cents	12 June 2015
Craig Rugless	1,750,000	20 cents	12 June 2015
Rod Williams	650,000	20 cents	12 June 2015

The issue of these options is subject to approval by shareholders under ASX listing rule 10.11 and Chapter 2E of the Corporations Act.

If approved, the options will vest subject to the following conditions being met:

1. The Company's shares having a minimum VWAP of 50 cents calculated over 5 consecutive trading days between the dates of grant and exercise of the options; and

2. The Director remaining continuously with the Company for at least 24 months from 12 June 2012.

Lead Manager (Prospectus)

On 23 April 2012 the Company engaged the services of Patersons Securities Limited to act as lead manager of the capital raising under the 2012 replacement prospectus. Under the agreement the Company agreed to issue options on the terms and conditions set out below:

Service Provider	Number of options	Exercise Price	Expiry Date
Patersons Securities	2,500,000	40 cents	31 May 2015

The issue of these options is subject to obtaining shareholder approval.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for the Directors and key management personnel of Lamboo Resources Limited (the Company).

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and executives are set out in this Remuneration Report.

The Company aims to reward the executive Directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director and key management personnel remuneration is separate and distinct except that non-executive Directors, as well as executives may participate in incentives involving the issue to them of securities in the Company.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

In accordance with the Constitution, the existing Shareholders of the Company have determined in general meeting the maximum non-executive Director remuneration to be $300,000 per annum.

The Directors have resolved that each non-executive Director is entitled to receive fees of $65,000 per annum. A Director will not be entitled to receive Directors' fees if he or she is employed by the Company in a full-time executive capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director will also be reimbursed for out of pocket expenses incurred as a result of their Directorship or any special duties.

During this current financial period a performance Cash Bonus of $65,000 was paid to Rod Williams for the successful relisting of the Company.

The remuneration of non-executive Directors for the year ending 30 June 2012 is detailed in Table 1 of this Remuneration Report.

REMUNERATION REPORT (continued)

Executive Chairman and Key Management Personnel Remuneration

The Company aims to reward the executive Directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Chairman and key management personnel for the period ending 30 June 2012 is detailed in Tables 1 and 2 and details of equity instruments issued are set out in Table 3.

Employment Contracts

Prior to 15 March 2012, there were no service agreements for Directors. The Directors resolved that from 20 March 2011, annual remuneration of the Directors would be set at:

R Trevillion	$200,000
D Pethica	$100,000
R Taylor	$100,000

Agreement with the Executive Chairman

On 15 March 2012, the Company and Richard Trevillion entered into an agreement containing the terms and conditions under which he will provide his services as chief executive officer of the Company.

The agreement:

- has no specified term;
- involves the payment to Richard Trevillion of an annual salary of $200,000 plus 9% superannuation and reimbursement of all reasonable business expenses;
- participate in an annual incentive plan (at the discretion of the Boad);
- has provision for six months' notice for termination. The Company may terminate this employment agreement by providing 6 months written notice or providing payment in lieu of the notice period; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with the Technical Director

On 21 May 2012, the Company and Craig Rugless entered into an agreement containing the terms and conditions under which he will provide his services as chief technical officer of the Company.

The agreement:

- has no specified term;
- involves the payment to Craig Rugless of an annual salary of $175,000 plus 9% superannuation and reimbursement of all reasonable business expenses;
- participate in an annual incentive plan (at the discretion of the Boad);
- has provision for six months' notice for termination. The Company may terminate this employment agreement by providing 6 months written notice or providing payment in lieu of the notice period; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Company Secretary

The Company Secretary and CFO, Mr Paul Marshall, is engaged on an on-going consultancy style agreement for the provision of services as company secretary and chief financial officer. Services are invoiced monthly based on services provided. The contract provides for a three month notice period.

REMUNERATION REPORT (continued)

Details of Directors and Key Management Personnel

Directors

Name	Position	Period of Directorship
Richard Trevillion	Executive Chairman	Appointed 20 December 2010
Craig Rugless	Executive Director	Appointed 21 May 2012
Rod Williams	Non-Executive Director	Appointed 21 May 2012
Rick Anthon	Non-Executive Director	Appointed 19 June 2012
Brian Pethica	Executive Director	Appointed 20 December 2010, resigned 6 June 2012
Rick Taylor	Executive Director	Appointed 19 December 2001, resigned 14 June 2012

Key Management Personnel

Name	Position	Detail
Paul Marshall	Company Secretary	Commenced 15 June 2012

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Consolidated Entity.

Table 1: Director Remuneration

2012	Short Term			Post-Employment		Share-based Payments [6]			
	Salary & Fees	Cash Bonus	Leave Entitle-ments	Superan-nuation	Retirement benefits	Options/ shares	Total	Performance Related %	% consisting of equity
	$	$	$	$	$	$	$		
Directors									
Richard Trevillion	200,000	200,000	20,961	39,323	-	89,390	549,674	56%	16%
Craig Rugless[1]	19,178	175,000	2,010	17,476	-	-	213,664	89%	-
Rod Williams[2]	7,123	65,000	-	-	-	-	72,123	90%	-
Rick Anthon[3]	2,137	-	-	-	-	-	2,137	-	-
Brian Pethica[4]	94,812	-	-	-	-	10,134	104,946	10%	10%
Rick Taylor[5]	125,416	-	-	-	-	59,593	185,009	32%	32%
	448,666	440,000	22,971	56,799	-	159,117	1,127,553		

(1) Craig Rugless was appointed on 21 May 2012
(2) Rod Williams was appointed on 21 May 2012
(3) Rick Anthon was appointed on 19 June 2012
(4) Brian Pethica resigned on 6 June 2012
(5) Rick Taylor resigned on 14 June 2012. Included in salary and fees is a termination payment of $32,500.
(6) The value of equity instruments granted in the year is the fair value of the options and shares calculated at grant date using a Black-Scholes pricing model. The value of instruments granted and treated as an expense is the proportionate cost incurred in the current year in accordance with AASB2 Share Based Payments.

Executives may, subject to the sole discretion of the Board, participate in an annual incentive plan adopted by the Company from time to time. The Board agreed that as a result of the acquisition of Lamboo and McKintosh that a bonus be paid of the equivalent of the annual salary to Richard Trevillion, Craig Rugless and Rod Williams.

REMUNERATION REPORT (continued)

2011	Short Term			Long Term	Post-Employment			Share-based Payments [4][5]			
	Salary & Fees	Cash Bonus	Non-cash benefits	Long service leave	Superan-nuation	Retirement benefits	Termination benefits	Options/ shares	Total	Perform ance Related %	% consisting of equity
	$	$	$	$	$	$	$	$	$		
Directors											
Richard Trevillion[1]	74,640	-	-	-	-	-	-	-	74,640	-	-
Brian Pethica[1]	40,446	-	-	-	-	-	-	-	40,446	-	-
James Walker[2]	109,332	-	-	25,995	19,311	-	91,743	5,551	251,932	2.2%	2.2%
Rick Taylor	40,446	-	-	-	-	-	-	1,478	41,924	3.5%	3.5%
Peter Bergquist[3]	-	-	-	-	-	-	-	(7,850)	(7,850)	-	-
John Fletcher[3]	-	-	-	-	-	-	-	(7,850)	(7,850)	-	-
Lars Utterman[3]	-	-	-	-	-	-	-	-	-	-	-
David Weber[3]	-	-	-	-	-	-	-	(7,850)	(7,850)	-	-
	264,864	-	-	25,995	19,311	-	91,743	(16,521)	385,392		

(1) Appointed 20 December 2010
(2) Resigned 4 May 2011
(3) Resigned 20 December 2010
(4) The value of equity instruments granted in the year is the fair value of the options and shares calculated at grant date using a Black-Scholes pricing model. The value of instruments granted and treated as an expense is the proportionate cost incurred in the current year in accordance with AASB2 Share Based Payments.
(5) Negative amounts recorded as remuneration represent cancellation of options where the Director did not satisfy vesting conditions that are not market conditions.

During the 2010 year all Directors agreed to defer payment of their fees until a later date. At 30 June 2010 the equivalent of seven months of Director fees were owing to the Directors. These amounts were accrued and expensed during the year ended 30 June 2010. The amounts disclosed in the 2011 table above are remuneration of the non-executive Directors that were not forgiven during the year.

During the year ended 30 June 2011, certain amounts owing to non-executive Directors were forgiven by the respective Directors. The amounts forgiven were as follows:

Director	Accrued and expensed during the year ended 30 June 2010 $	Accrued and expensed during the year ended 30 June 2011 $	Total accrued, subsequently forgiven during the year ended 30 June 2011 $
Rick Taylor	46,987	18,750	65,737
Peter Bergquist	29,167	12,500	41,667
John Fletcher	29,167	12,500	41,667
Lars Utterman	22,917	12,500	35,417
David Weber	29,202	12,465	41,667
	157,440	68,715	226,155

Table 2: Remuneration of key management personnel

2012	Short Term			Post-Employment		Share-based Payments			
	Salary & Fees	Cash Bonus	Non-cash benefits	Superan -nuation	Retirement benefits	Options/ shares	Total	Performance Related %	% consisting of equity
$		$	$	$	$	$	$		
Key Management Personnel									
Paul Marshall[1]	2,137	-	-	-	-	-	2,137	-	-

(1) Paul Marshall was appointed on 15 June 2012.

Table 3: Equity Instruments issued as part of remuneration for the year ended 30 June 2012

Shares

All shares were issued by Lamboo Resources Limited in return for services provided. The number and terms of the shares issued are as follows:

	Grant date	No. of Shares	Share fair value at grant date $	Vesting price per share $	Total value of shares $	Expiry date	Vesting and First exercise date	% of shares vested
Directors								
Richard Trevillion	4/6/2012	2,700,000	0.033	0.35	89,390	4/6/2017	14/6/2012	100%
Rick Taylor	4/6/2012	1,800,000	0.033	0.35	59,593	4/6/2017	14/6/2012	100%
Brian Pethica	4/6/2012	250,000	0.041	0.35	10,134	4/6/2017	14/6/2012	100%

The value of shares granted in the year is the fair value of the shares calculated at grant date using a Black-Scholes pricing model. The total value of the shares granted is included in the table above. The model takes into account the following factors:

Inputs into pricing model	
Grant date	4 June 2012
Vesting date[(1)]	Share price of LMB reaching $0.35
Exercise price	Nil
Share price at grant date	$0.20
Life of the instrument	5 years
Underlying share price volatility	46.4%
Expected dividends	Nil
Risk free interest rate	3.17 - 3.29%

(1) This condition was met on 14 June 2012.

Key terms:

1. The ordinary shares can only vest within the 5 years after their issue.
2. All ordinary shares vest if the share price reaches $0.35 per share ("vesting date"), unless the Board and the Executive agree that the ordinary shares vest at a later date.
3. Half the ordinary shares on vesting are transferable immediately and have no restrictions in dealing in those ordinary shares, unless the vesting day occurs in a Share Sale Restriction Period, in which case, there is a prohibition of their sale until the end of that period.
4. There is a restriction on dealing with the remaining half of the vested ordinary shares and they cannot be sold until the earlier of:
   - Five years from the date of issue of the ordinary shares (except if this date falls within a Share Sale Restriction Period, in which case, there is a prohibition of sale until the end of that restriction period),
   - The first day after two years after the date of vesting of the ordinary share (except if this date falls within a Share Sale Restriction Period, in which case, there is a prohibition of sale until the end of that restriction period),
   - Cessation of employment of the Executive, and
   - A time otherwise specified by the Board.
5. If the Executive ceases employment with the Company for whatever reason prior to a vesting date, the Executive will be entitled to a pro rata vesting of half of his ordinary shares based on the Share Price being between $0.20 and $0.35 at the time of leaving and these ordinary shares will have no sale restrictions. The other half of the Executive's ordinary shares may also vest at the discretion of the Board at the time of the Executive leaving the Company.

REMUNERATION REPORT (continued)

6. If there is a change of control of the Company, all the ordinary shares immediately vest and there are no restrictions on their exercise or sale.
7. If the vested ordinary shares are subject to an escrow agreement and otherwise not subject to a restriction in dealing in those shares under the Rules, then the shares are subject to a restriction in dealing in those shares until the termination of the escrow agreement.
8. If the ordinary shares held by an Executive are no longer capable of vesting, the Executive and the Company will work together to determine a method of buying back, transferring, or cancelling the ordinary shares in such a manner which is not detrimental to the Executive.

The shares issued to Mr Pethica are not subject to the abovementioned conditions relating to ceasing employment (5 above).

Table 4: Equity instruments granted as part of remuneration

2012	Value of equity instruments granted during the year $	Value of equity instruments exercised during the year $	Value of equity instruments lapsed during the year $	Total value of equity instruments granted, exercised and lapsed during the year $
Directors				
Richard Trevillion	89,390	-	-	-
Craig Rugless	-	-	-	-
Rod Williams	-	-	-	-
Rick Anthon	-	-	-	-
Brian Pethica	10,134	-	-	-
Rick Taylor	59,593	-	-	-
Key Management Personnel				
Paul Marshall	-	-	-	-

Shares issued on exercise of remuneration options

No shares were issued on the exercise of compensation options in the 2012 financial year (2011: Nil).

Equity instruments issued as part of remuneration

Equity instruments are issued to Directors and executives as part of their remuneration. The equity instruments are not issued solely on performance criteria, but are also issued to all Directors and executives of Lamboo Resources Limited to increase executive retention and goal congruence between executives, Directors and shareholders.

Relationship between remuneration and Company performance

The factors that are considered to affect shareholder return since the Consolidated Entity's listing on the ASX are summarised below:

Measures	2012	2011	2010	2009
Share price at end of financial year ($)	0.38	0.02	0.12	0.50
Market capitalisation at end of financial year ($M)	25.52	1.08	5.66	12.95
Profit/(loss) for the financial year ($)	(4,736,892)	(2,402,326)	(6,910,899)	(5,600,721)
Director and Key Management Personnel remuneration	1,127,553	385,392	1,093,960	1,067,445

REMUNERATION REPORT (continued)

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration.

The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

End of Remuneration Report

NON-AUDIT SERVICES

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

The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, HLB Mann Judd and its related practices:

Other assurance services	$42,780

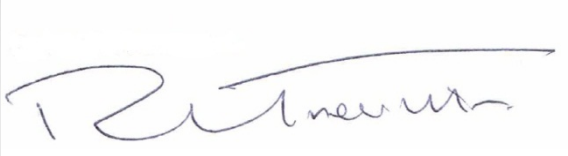
AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report.

EVENTS AFTER BALANCE SHEET DATE

There have been no events since 30 June 2012 that impact upon the financial report.

Signed in accordance with a resolution of the Board of Directors



R Trevillion
Executive Chairman and CEO
Dated this 28th day of September 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

LAMBOO RESOURCES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Lamboo Resources Limited:

As lead auditor for the audit of Lamboo Resources Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lamboo Resources Limited and the entities it controlled during the year.

A G Smith
Partner

Sydney
28 September 2012

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Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

LAMBOO RESOURCES

ADDITIONAL STOCK EXCHANGE INFORMATION

DISTRIBUTION OF NUMBER OF HOLDERS OF EQUITY SECURITIES AS AT 21 SEPTEMBER 2012

Number of Securities Held	Ordinary shares fully paid No. of holders
1 to 1,000	258
1,001 to 5,000	56
5,001 to 10,000	150
10,001 to 100,000	204
100,001 and over	58
	726
Number of shareholders holding less than a marketable parcel of shares	233

TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY

Rank	Name	Balance	% Held
1	NATIONAL NOMINEES LIMITED	12,095,609	18.012
2	PATHFINDER EXPLORATION PTY LTD	10,500,000	15.636
3	NORVALE PTY LTD	7,000,000	10.424
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,999,999	7.446
5	MR RICHARD TREVILLION	2,826,040	4.208
6	MR PAUL ANTHONY HENRY	2,015,000	3.001
7	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	2,008,846	2.991
8	MR RICHARD TAYLOR	1,800,000	2.680
9	MR ROBERT LORD	1,600,000	2.383
10	WOODLANDS ASSET MANAGEMENT PTY LTD	1,445,000	2.152
11	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	1,130,000	1.683
12	RL WEBB NOMINEES PTY LIMITED	769,231	1.145
13	PAN AUSTRALIAN NOMINEES PTY LIMITED	560,000	0.834
14	MR NEVILLE JAMES MILES	500,000	0.745
15	MOOSEHEAD PTY LIMITED	420,000	0.625
16	QUALITY LIFE PTY LTD <THE VIKING FUND A/C>	401,041	0.597
17	KRISHVIN PTY LTD <MAISURIA FAMILY A/C>	395,000	0.588
18	MR ROBERT CHARLES GRADY & MRS VICKI ALMA GRADY <TEMDALE SUPER FUND A/C>	390,000	0.581
19	DOMAIN CAPITAL BIOTECH INVESTMENTS PTY LTD	333,254	0.496
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	319,505	0.476

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as shown in substantial shareholder notices received by the Company at 21 September 2012 are:

Name of Shareholder	Ordinary Shares
PATHFINDER EXPLORATION PTY LTD	10,500,000
NORVALE PTY LTD	7,000,000

INTERESTS IN MINING TENEMENTS

Lamboo Resources Limited held the following interests in exploration tenements as at 28 September 2012:

Project	Tenement	Area km2	Application Date	Grant Date	Expiry Date
McIntosh	E80/3864	29.2	29/1/07	8/4/2008	7/4/2008
WA	E80/3928	81	17/4/07	2/6/2009	1/6/2014
	E80/3906	51.8	16/3/2007	3/12/2008	2/12/2013
	E80/3907	9.7	16/3/2007	3/12/2008	2/12/2013
	E80/4396	16.2	22/1/2010	2/8/2011	1/8/2016
	E80/4655	12.5	24/10/2011		
	E80/4688	12.5	15/2/2012		
Halls	E80/4676	12.96	13/1/2012		
Creek	E80/4677	343.44	13/1/2012		
WA	E80/4678	281.88	13/1/2012		
	P80/1776	0.17	19/12/2011		
	P80/1777	0.191	19/12/2011		
	P80/1778	0.169	19/12/2011		
	P80/1780	0.173	19/12/2011		
	P80/1783	0.197	19/12/2011		
	P80/1785	0.124	5/1/2012		
	P80/1786	0.161	5/1/2012		
	P80/1787	0.114	5/1/2012		
Valla	EL6702	58		16/1/2007	15/1/2013
NSW					

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Lamboo Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Lamboo Resources Limited's Corporate Governance Statement is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2nd Edition", which are as follows:

Principle 1. Lay solid foundations for management and oversight
Principle 2. Structure the Board to add value
Principle 3. Promote ethical and responsible decision making
Principle 4. Safeguard integrity in financial reporting
Principle 5. Make timely and balanced disclosure
Principle 6. Respect the rights of shareholders
Principle 7. Recognise and manage risk
Principle 8. Remunerate fairly and responsibly

A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website at www.asx.com.au.

The board endorses the ASX Corporate Governance and Recommendations, and has adopted corporate governance charters and policies reflecting those recommendations to the extent appropriate having regard to the size and circumstances of the Company.

The Company is committed to ensuring that its corporate governance systems maintain the Company's focus on transparency, responsibility and accountability. For further information on corporate governance policies adopted by Lamboo Resources Limited, refer to our website: www.lambooresources.com.au.

ASX Principles and Recommendations not followed by the Company and the reasons for non-compliance are as follows:

Recommendation Reference	Notification of Departure	Explanation for Departure
2.1	A majority of the board is not independent	The current board does not have a majority of independent Directors. The position of each Director and as to whether or not they are considered to be independent is set out below. The board believe that the individuals on the board can and do make quality and independent judgements in the best interest of the Company and other stakeholders notwithstanding that they are not independent Directors in accordance with the criteria set out in the recommendations.
2.2	The chairman is not independent	While the Board recognizes the importance of the need for the division of responsibilities between the chairman and the managing Director, it considers the existing structure provides unified leadership important to a small company with early stage exploration projects. Mr Trevillions's dual role makes him responsible (along with the whole Board) for determining strategic direction of the Company, as well as having primary responsibility for day to day management. At present this dual role assists the Company to run in a cost effective and efficient manner.
2.4	A separate Nomination Committee has not been formed	The board considers that the Company is not currently of a size to justify the formation of a separate nomination committee. The board as a whole will undertake the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants may be engaged to identify possible new candidates for the board.

Recommendation Reference	Notification of Departure	Explanation for Departure
3.2, 3.3	Measurable objectives for achieving gender diversity and for the annual assessment of both the objectives and progress in achieving them have not been implemented	The Board has established a Diversity Policy. There are some aspects of the recommendations that are difficult to comply with due to the Company's size. The Board at this juncture has not set measurable objectives. This policy will be reviewed as part of the annual compliance review to ensure that the Diversity Policy is being progressed as required and to set measurable objectives when appropriate for the Company.
4.1, 4.2, 4.3	A separate Audit Committee has not been formed	The board considers that the Company is not of a size, nor is its financial affairs of such complexity, to justify the formation of an audit committee. The board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
7.2	Management has not reported to the board as to the effectiveness of the Company's management of its material business risks.	While the design and implementation of a basic risk management and internal control system is in place, a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the board, and is not considered necessary at this stage for the size and nature of the Company's current activities.
8.1	There is no separate Remuneration committee	The board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation for the remuneration committee. The board as a whole is responsible for the remuneration arrangements for Directors and any executives of the Company.

Structure of the Board

The Board has adopted a formal board charter that outlines the roles and responsibilities of Directors and senior executives. The Board Charter has been made publicly available on the Company's website.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Director's Report. Corporate Governance Council Recommendation 2.1 requires a majority of the Board should be independent Directors. The Corporate Governance Council defines and independent Director as a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgment.

In the context of Director independence, "materiality" is considered from both the Company and the individual Director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 10% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

Factors that may impact on a Director's independence are considered each time the Board meets. In accordance with the Council's definition of independence above, and the materiality thresholds set, the following Directors are considered not to be independent:

Name	Position	Reason for not being Independent
Richard Trevillion	Executive Chairman and CEO	Mr Trevillion is employed in an executive capacity
Craig Rugless	Technical Director	Mr Rugless is employed in an executive capacity
Rod Williams	Non-executive Director	Mr Williams is a substantial shareholder of the Company

Lamboo Resources Limited considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Lamboo Resources Limited due to their considerable industry and corporate experience.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
Richard Trevillion	1 year 9 months
Craig Rugless	4 months
Rod Williams	4 months
Rick Anthon	3 months

Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information and during certain pre-determined windows.

Company Code of Conduct

The Company is committed to operating ethically, honestly, responsibly and legally in all its business dealings. Accordingly, the Company requires employees to act in the Company's best interests in a professional, honest and ethical manner, and in full compliance with the law, both within and on behalf of the Company.

The Company has an established Code of Conduct (Code) which outlines the behaviour that is expected of employees. The Code governs all the Company's operations and the conduct of Directors, management and employees when they represent the Company.

The Code clearly sets out the process for dealing with breaches of the Code. The Board, senior executives, management and all employees of the Company are committed to implementing this Code and each individual is accountable for such compliance.

A copy of the Code is given to all employees, contractors and relevant personnel, including Directors and senior executives. Appropriate training is provided for Directors, senior executives and employees on a regular basis, where applicable.

Recruitment and Selection Processes

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. As the context permits is committed to workplace diversity. The Company recognises the benefits arising from employee and board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

The Company values diversity in all aspects of its business and is committed to creating an environment where the contribution of all its personnel is received fairly and equitably.

The Company has a number of objectives in place to continually work towards its vision. These objectives include:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Company seeks to achieve these objectives by:

- recruiting and managing on the basis of competence and performance regardless of age, ethnicity, gender or cultural background;
- providing equal opportunities based on merit;
- fostering a culture that empowers people to act in accordance with this policy;
- fostering an inclusive, supportive and respectful culture to enable all personnel to reach their full potential;
- respecting the unique attributes that each individual brings to the workplace; and
- establishing and reviewing measurable objectives, particularly on gender diversity.

The proportion of women employees in the whole organisation, women in senior management positions and women on the board are as follows:

Measure	*Female Proportion*
Organisation	20%
Senior Management	Nil
Board	Nil

Shareholder Communications

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company has established a Shareholder Communication Strategy which is available on the Company's website under "Corporate Governance".

All shareholders receive a copy of the Company's Annual Report and both the annual and half yearly reports are posted on the Company's website. Quarterly reports are prepared in accordance with ASX Listing Rules and posted on the Company's website. Regular updates on operations are made via ASX releases. All information disclosed to the ASX is posted on the Company's website as soon as possible after it is disclosed to the ASX.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the preparation and content of the audit report.

Continuous Disclosure Policy

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. A copy of the Continuous Disclosure Policy can be found within the Company's Corporate Governance Statement on the Company's website.

Board committees

The board's charter allows it to establish committees if and when required to assist in the execution of the duties of the board. As at the date of this report, no committees have been established as the structure of the board, the size of the Company and the scale of its activities, allows all Directors to participate fully in all decision making. When the circumstances require it, the committees will be instituted with each having its own charter approved by the board that will set the standards for the operation of the committees. All matters that would be considered by committee are dealt with by the board.

Remuneration and Nomination

The full Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Audit and Risk Management

The responsibilities of Audit and Risk Management Committee are undertaken by the full Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's Risk Management policies is available on the Company's website.

Recommendation 7.2 requires that the Board disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. Business risks are considered regularly by the Board and management.

While the design and implementation of a basic risk management and internal control system is in place a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the Board.

As required by Recommendation 7.3, the Board has received written assurances from the Executive Chairman and Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that they system is operating effectively in all material respects in relation to financial reporting risks.

Performance

The Board considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board. The performance of the individual members of the Board is reviewed on an on-going basis as required in conjunction with the regular meetings of the Board.

Executives may, subject to the sole discretion of the Board, be awarded performance bonuses. The Board agreed that as a result of the acquisition of Lamboo and McKintosh that a bonus be paid of the equivalent of the annual salary to Richard Trevillion, Craig Rugless and Rod Williams.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and other Key Management Personnel fairly and appropriately with reference to relevant and employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Director's and Officer's emoluments to the Company's financial and operations performance.

The expected outcomes of the remuneration structure are:

- retention and motivation of Key Management Personnel
- attraction of quality management to the Company; and
- performance incentives which allow Executives to share the rewards of the success of Lamboo Resources Limited.

For details on the amount of remuneration and all monetary and non-monetary components for each of the highest paid (Non-Director) Executives during the year, and for all Directors, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Lamboo Resources Limited and the performance of the individual during the year.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, subject to the Company's constitution and prior shareholder approvals, and the Executive team.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's web site at www.lambooresources.com.au.

Statement of Comprehensive Income
For the year ended 30 June 2012

	Note	2012 $	2011* $
Interest revenue		16,470	-
Employee expenses		(1,035,131)	(385,392)
Corporate and administration expenses		(800,385)	(159,057)
Exploration costs expensed	10	(3,500,000)	-
Loss before income tax		(5,319,046)	(544,449)
Income tax expense	3	-	-
Loss after income tax expense – continuing operations		(5,319,046)	(544,449)
Profit/(loss) after income tax expense – discontinued operations	2	582,154	(1,857,877)
Loss for the year		(4,736,892)	(2,402,326)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		(345,831)	656,631
Total comprehensive income/(loss)		(5,082,723)	(1,745,695)
		Cents	**Cents**
Earnings per share			
Basic and diluted earnings/(loss) per share – continuing operations	5	(57.42)	(1.07)
Basic and diluted earnings/(loss) per share	5	(51.13)	(4.72)

* Restated – see Note 2 Discontinued Operations

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

LAMBOO RESOURCES

Balance Sheet
As at 30 June 2012

	Note	2012 $	2011 $
CURRENT ASSETS			
Cash and cash equivalents	7	6,114,586	191,639
Trade and other receivables	8	53,035	83,796
TOTAL CURRENT ASSETS		6,167,621	275,435
NON-CURRENT ASSETS			
Other assets	9	-	30,468
TOTAL NON-CURRENT ASSETS			30,468
TOTAL ASSETS		6,167,621	305,903
CURRENT LIABILITIES			
Trade and other payables	11	807,075	550,171
Interest bearing liabilities	12	-	722,628
Employee entitlements	13	23,136	17,876
TOTAL CURRENT LIABILITIES		830,211	1,290,675
TOTAL LIABILITIES		830,211	1,290,675
NET ASSETS		5,337,410	(984,772)
EQUITY			
Share capital	14	30,201,610	18,796,705
Reserves	15	-	469,131
Accumulated losses		(24,864,200)	(20,250,608)
TOTAL EQUITY		5,337,410	(984,772)

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity
For the year ended 30 June 2012

Consolidated Entity	Share Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2010	18,591,605	20,602	(17,915,476)	696,731
Transactions with owners in their capacity as owners				
Issue of share capital	210,100	-	-	210,100
Share issue costs	(5,000)	-	-	(5,000)
Share-based payments	-	(140,908)	-	(140,908)
Transfers	-	(67,194)	67,194	-
Comprehensive income				
Loss for the year	-	-	(2,402,326)	(2,402,326)
Other comprehensive income	-	656,631	-	656,631
Balance at 30 June 2011	18,796,705	469,131	(20,250,608)	(984,772)
Balance at 1 July 2011	18,796,705	469,131	(20,250,608)	(984,772)
Transactions with owners in their capacity as owners				
Issue of share capital	11,764,261	-	-	11,764,261
Share issue costs	(518,473)	-	-	(518,473)
Share-based payments	159,117	-	-	159,117
Transfers	-	(123,300)	123,300	-
Comprehensive income				
Loss for the year	-	-	(4,736,892)	(4,736,892)
Other comprehensive income/(loss)	-	(345,831)	-	(345,831)
Balance at 30 June 2012	30,201,610	-	(24,864,200)	5,337,410

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows
For the year ended 30 June 2012

	Note	2012 $	2011* $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,170,711)	(544,449)
Interest received		16,470	-
Operating cash flows from discontinued operations		(447,969)	(1,025,743)
Net cash used in operating activities	16	(1,602,210)	(1,570,192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing cash flows from discontinued operations		8,811	307,092
Net cash provided by investing activities		8,811	307,092
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,000,000	210,100
Share issue costs		(73,730)	(5,000)
Proceeds from convertible notes		615,000	500,000
Repayment of loans from former directors		(24,924)	(150,000)
Net cash provided by financing activities		7,516,346	555,100
Net increase/(decrease) in cash and cash equivalents		5,922,947	(708,000)
Cash and cash equivalents at the beginning of the financial year		191,639	899,639
Cash and cash equivalents at the end of the financial year	7	6,114,586	191,639

* Restated – see Note 2 Discontinued Operations

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

This financial report covers the Consolidated Entity of Lamboo Resources Limited (the "Company") and its controlled entities (together referred to as the "Consolidated Entity" or "Group"). Lamboo Resources Limited is a listed public company, incorporated and domiciled in Australia. The Consolidated Entity is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities
The principal activity of the Consolidated Entity is mineral exploration.

Currency
The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Consolidated Entity.

Authorisation of financial report
The financial report was authorised for issue on 28 September 2012.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001.*

Compliance with IFRS
The consolidated financial statements of the Lamboo Resources Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Consolidated Entity. These estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods. There were no key adjustments during the year which required estimates and/or judgements.

Key estimates – impairment
The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements – Exploration & evaluation expenditure
The Consolidated Entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting policies

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Lamboo Resources Limited at the end of the reporting period. A controlled entity is any entity over which Lamboo Resources Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

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

Business combinations
Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income Tax (continued)

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

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

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

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

(c) Exploration Evaluation and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered 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.

The acquisition costs for the rights to explore the McIntosh, Halls Creek and Valla projects have been expensed as incurred.

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 capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Entity, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(e) Impairment of Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

(f) Employee Entitlements

Provision is made for the Consolidated Entity's liability for employee entitlements arising from services rendered by employees to the end of the reporting period. Employee entitlements that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee entitlements payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. In relation to options issued, the corresponding amount is recorded to the share based payment reserve. The fair value of share based payments is determined using the Black-Scholes pricing model. The volatility input in the pricing model is determined by the historical volatility of the Company's share price over a similar period to the exercise period.

The total amount to be expensed is determined by reference to the fair value of the equity instruments 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 equity instruments 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 equity instruments that are expected to vest based on the non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method.

(i) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) Earnings per share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(l) Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by Directors. The new classifications have been made to reflect a more accurate view of the Consolidated Entity's operations.

(m) New Accounting Standards and Interpretations

The Consolidated Entity adopted the following new Accounting Standards and Interpretations during the period:

- AASB 2009-12 Amendments to Australian Accounting
- AASB 2010-5 Amendments to Australian Accounting Standards
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 124 Related Party Disclosures (December 2009)
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets

There were no material impacts on the financial statements or performance of the Consolidated Entity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 10: 'Consolidated Financial Statements'

This standard replaces the requirements of AASB 127: 'Consolidated and Separated Financial Statements' and is applicable for the annual period beginning 1 January 2013. This new standard introduces a new definition of control that determines which entities are consolidated. This new definition of control may potentially lead to the consolidation of entities that were not previously included in the Consolidated Entity resulting in more assets and liabilities on the books. The Consolidated Entity is currently assessing the impact of this standard.

AASB 12: ' Disclosure of interest in other Entities'

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirements associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation – Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgments and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the Consolidated Entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the Consolidated Entity.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the Consolidated Entity's presentation of its statement of comprehensive income.

AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

This amendment is applicable to annual periods beginning on or after 1 January 2013. The interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The stripping costs are able to be recorded as an asset in accordance with Interpretation 20 The expected impact on the financial position and performance has not yet been determined.

NOTE 2 DISCONTINUED OPERATIONS

The Company's historic business was the development and manufacture of fluorescent compounds and fluorescence based kits for the global biotechnology industry. Due to the 'Global Financial Crisis' and changes to the pharmaceutical industry the business model was deemed unsustainable. Consequently the Company decided in 2010 to wind down its operations and seek acquisition opportunities.

As part of the wind up of the biotech business, Gelcompany GmbH ("Gelco"), a 100% owned subsidiary of the Parent Company based in Germany, was placed into administration on 20 October 2011. Significant uncertainty exists around the outcome of the administration process. Refer to Note 25 for further details.

During the second half of 2011 the Company announced its focus would be acquiring resource assets. On 13 February 2012 the Company announced an option to acquire Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd. The option was exercised on 5 March 2012, with shareholders subsequently approving the transaction on 21 May 2012.

The Company's historic biotech business has been classified as a discontinued operation, and the comparative statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year. The impact of the discontinued operation's impact on the revenue and expenses of the Consolidated Entity is shown below:

	2012 $	2011 $
DISCONTINUED OPERATIONS		
Revenue		
Sale of goods	224,476	1,451,029
Royalties and licences	10,293	2,085
Grant revenue	105,023	-
Finance income	5,204	7,055
Other income	37,398	265,353
	382,394	1,725,522
Expenses		
Cost of goods sold	(236,619)	(1,692,631)
Research and development	-	(330,674)
Intellectual property	(3,050)	(40,839)
Marketing and business development	-	(546,704)
Corporate and administration	(48,120)	(428,413)
Finance costs	-	(19,515)
Impairment loss of financial asset	(8,000)	-
Impairment (loss)/reversal of receivables	(104,607)	124,574
Loss before income tax of discontinued operations	(18,002)	(1,208,680)
Gain/(loss) on disposal of subsidiary (Note 25)	197,099	(51,639)
Transfer foreign exchange reserve to income statement on disposal	403,057	(597,558)
Profit/(loss) from discontinued operations before income tax	582,154	(1,857,877)
Income tax expense	-	-
Profit/(loss) after income tax expense – discontinued operations	582,154	(1,857,877)

	2012 $	2011 $

NOTE 3 INCOME TAX EXPENSE

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Consolidated Entity's effective income tax rate for the years ended 30 June 2012 and 2011 is as follows:

Accounting profit /(loss) before income tax	(4,736,892)	(2,402,326)
Tax at the Australian tax rate of 30%	(1,421,067)	(720,698)
Non-deductible expenses	56,035	-
Deductible amounts recognised in equity	(31,108)	-
Deferred tax assets not bought to account	53,735	769,561
Tax losses forfeited as a result of change of control and business	1,342,405	(48,863)
Income tax expense	-	-

Unrecognised temporary differences and tax losses

Net deferred tax assets not brought to account	53,735	1,927,880

The deductible temporary differences and tax losses disclosed above as unrecognised, do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise these benefits. The Directors are currently assessing the impact on the tax losses incurred prior to the change of business, share capital raising and other movements in share capital during the year (Note 14). Based on preliminary advice received the Directors consider it is unlikely that these losses will be able to be utilised against future taxable income.

NOTE 4 AUDITOR'S REMUNERATION

Remuneration paid or payable to HLB Mann Judd		
- auditing and reviewing the financial report	32,000	92,897
Non audit services:		
- Other assurance services	42,780	-
	74,780	92,897

NOTE 5 EARNINGS PER SHARE

Earnings used to calculate basic and dilutive EPS – continuing operations	(5,319,046)	(544,449)
Earnings used to calculate basic and dilutive EPS	(4,736,892)	(2,402,326)

	2012 #	2011 #
Weighted average number of ordinary shares outstanding during the year	9,263,911	50,849,166
Weighted average number of dilutive instruments	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating EPS and dilutive EPS	9,263,911	50,849,166
Weighted average number of anti-dilutive options outstanding excluded from dilutive EPS	1,041,667	539,063

NOTE 6 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

	2012 $	2011 $
NOTE 7 CASH & CASH EQUIVALENTS		
Cash on hand and at bank	6,114,586	191,639
NOTE 8 TRADE & OTHER RECEIVABLES		
Trade receivables	-	43,048
Other receivables	53,035	40,748
	53,035	83,796
NOTE 9 OTHER NON-CURRENT ASSETS		
Other assets		30,468
NOTE 10 EXPLORATION EXPENDITURE		
Exploration projects		
Acquisition costs for the rights to explore expensed as incurred	3,500,000	-

Exploration expenditure assets arose on the purchase Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd which were registered in 2012 to hold certain exploration project assets (refer Note 24).

The Company has adopted an accounting policy of allocating a $Nil value to the purchase of these specific project assets for financial reporting purposes.

It is the Directors' intention to capitalise future project costs on these projects in accordance with accounting policy 1(c) and AASB 6 "Exploration for and Evaluation of Mineral Resources".

NOTE 11 TRADE & OTHER PAYABLES		
Trade payables	542,009	210,419
Other payables and accrued expenses	265,066	339,752
	807,075	550,171

	2012 $	2011 $
NOTE 12 INTEREST BEARING LIABLITIES		
Current		
Loans from former Directors (secured)	-	222,628
Convertible notes (unsecured)	-	500,000
	-	722,628

The above facilities represent the only finance facilities available to the Consolidated Entity. There are no unused facilities at balance date (2011: Nil).

Loans from former Directors

The loans were secured and the amounts owing were capped to a total amount of $222,628. Refer to note 18 for further details.

Convertible notes

2010 Series
In December 2010, the Company raised $500,000 though the issue of convertible notes. The key terms of the convertible notes were:

- Convertible at any time by the investors over the 18 month term of the notes at $0.03 per share. Automatic conversion of the notes will also occur at the earlier of 6, 9, 12 or 15 months (the' Early Conversion Dates') after issue of the notes at $0.03 per ordinary share if the volume weighted average price of the Company's ordinary shares in the 10 business days prior to the Early Conversion Dates is at least $0.03. Finally, if the notes have not previously converted they will mandatorily convert at $0.03 per share after 18 months from the date of issue of the notes.
- The conversion rate of the notes is 1 for 1 and they bear 1 free attaching option. The exercise price per option is $0.03.
- The options expire 2 years after the date of issue of the notes.
- There is no interest payable on the notes.
- The principal sum of the notes is potentially repayable if there is a default event.

Following the 16:1 share consolidation (Note 14), the price for the notes convert to shares increased from $0.03 per share to $0.48 per share. These notes were subsequently settled with the issue of 1,041,568 ordinary shares.

2011 Series
In August 2011, the Company raised $615,000 though the issue of a new series of convertible notes. The key terms referable to $515,000 of the 2011 Convertible Notes are summarised below:

- The notes are non-interest bearing.
- The notes, subject to shareholder approval, convert into ordinary shares when minimum subscriptions have been reached under an offer of share by the Company to the public under a Prospectus and this occurs within 24 months ("End Date") of the date of the Convertible Note Subscription Agreement ("Agreement Date").
- The conversion into ordinary shares will occur at a discount of 35% of the issue price under the Prospectus.
- The notes are redeemable by the Noteholder if:
  - An insolvency event (as defined by the Agreement) occurs in relation to the Company
  - The Company breaches a material clause of the Agreement.
  - The notes are not converted by the End Date and shareholders or government agency approval is required for their conversion, and the Noteholder (acting reasonably and in good faith, and after consultation with the Company) considers that such approval is withheld or will not be obtained.
- The notes are not transferrable without written approval of the Company.

The remaining $100,000 notes were issued on the same terms as described above, except that they will be convertible at the lower of the price described for the $515,000 of Convertible Notes and a 35% discount on an ordinary share issue occurring prior to the capital raising under the 2012 replacement Prospectus.

All 2011 series notes, totaling $615,000, were subsequently settled with the issue of 4,730,769 ordinary shares.

	2012 $	2011 $

NOTE 13 EMPLOYEE ENTITLEMENTS

Employee entitlements	23,136	17,876

NOTE 14 SHARE CAPITAL

Fully paid ordinary shares	30,201,610	18,796,705

Ordinary Shares

	2012 $	2011 $	2012 #	2011 #
At the beginning of the year	18,796,705	18,591,605	54,147,874	47,147,774
Share consolidation (16:1)	-	-	(50,763,632)	-
Share placement [1]	-	210,000	-	7,000,000
Conversion of 2010 Notes [2]	500,000	-	1,041,568	-
Issued to the vendors of Lamboo and McKintosh [3]	3,500,000	-	17,500,000	-
Shares issued under a prospectus [4]	7,000,000	100	35,000,000	100
Shares issued to former Directors [5]	149,261	-	746,307	-
Conversion of 2011 Notes [6]	615,000	-	4,730,769	-
Shares issued to Directors [7]	159,117	-	4,750,000	-
Share issue expenses	(518,473)	(5,000)	-	-
At reporting date	30,201,610	18,796,705	67,152,886	54,147,874

1 2011: 7,000,000 ordinary fully paid shares were issued at $0.03 per share through a private placement.
2 2012: 1,041,568 ordinary fully paid shares were issued at $0.48 per share in full consideration of the 2010 Convertible notes (Note 12).
3 2012: 17,500,000 ordinary fully paid shares at $0.20 per share were issued to the vendors Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd in consideration for a 100% interest in these entities.
4 2012: 35,000,000 ordinary fully paid shares were issued at $0.20 per share through the 2012 prospectus.
5 2012: 746,307 ordinary fully paid shares were issued to former Directors at $0.20 per share in full consideration of outstanding loans (Note 18).
6 2012: 4,730,769 ordinary fully paid shares were issued at $0.13 per share in full consideration of the 2011 Convertible notes (Note 12).
7 2012: 4,750,000 ordinary fully paid shares were issued at $0.034 per share as remuneration to certain Directors.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Details of options issued, exercised and expired during the financial year are set out below:

		Movements (number of options)				
Expiry Date	Exercise Price	1 July 2011	Issued	Exercised	Expired	30 June 2012
28 February 2012	$0.55	39,063	-	-	(39,063)	-
31 October 2011	$1.00	500,000	-	-	(500,000)	-
20 December 2012	$0.48	-	1,041,667	-	-	1,041,667
		539,063	1,041,667	-	(539,063)	1,041,667

NOTE 14 SHARE CAPITAL (continued)

Options subject to shareholder approval

Directors

On 14 June 2012, the Company announced it had entered into option deeds with Richard Trevillion, Craig Rugless and Rod Williams for the grant of options on the terms and conditions set out below:

Director	Number of options	Exercise Price	Expiry Date
Richard Trevillion	4,000,000	20 cents	12 June 2015
Craig Rugless	1,750,000	20 cents	12 June 2015
Rod Williams	650,000	20 cents	12 June 2015

The issue of these options is subject to approval by shareholders under ASX listing rule 10.11 and Chapter 2E of the Corporations Act.

If approved, the options will vest subject to the following conditions being met:

1. The Company's shares having a minimum VWAP of 50 cents calculated over 5 consecutive trading days between the dates of grant and exercise of the options; and

2. The Director remaining continuously with the Company for at least 24 months from 12 June 2012.

Lead Manager (Prospectus)

On 23 April 2012 the Company engaged the services of Patersons Securities Limited to act as lead manager of the capital raising under the prospectus. Under the agreement the Company agreed to options on the terms and conditions set out below:

Service Provider	Number of options	Exercise Price	Expiry Date
Patersons Securities	2,500,000	40 cents	31 May 2015

The issue of these options is subject to obtaining shareholder approval.

	2012 $	2011 $

NOTE 15 RESERVES

Share based payment reserve	-	123,300
Foreign currency translation reserve	-	345,831
	-	469,131

Share based payment reserve movements during the year

Opening balance	123,300	331,402
Share based payments	-	7,029
Share based payments – cancellation of options	-	(147,937)
Transfer to accumulated losses	(123,300)	(67,194)
Closing balance	-	123,300

Share based payment reserve
The share based payments reserve is used to record the value of share based payments provided to Directors, employees and contractors as part of their remuneration.

Foreign currency translation reserve movements during the year

Opening balance	345,831	(310,800)
Currency translation differences arising during the year	57,226	59,073
Transfer to accumulated losses on disposal of foreign operation	(403,057)	597,558
Closing balance	-	345,831

Foreign currency translation reserve
The Foreign currency translation reserve is used to record exchange differences arising on the translation of foreign controlled entities. The reserve is recognised in profit and loss when the net investment is disposed of.

NOTE 16 CASH FLOW INFORMATION

Reconciliation of cash flows used in operations with loss after income tax

Profit/(loss) after income tax	(4,736,892)	(2,402,326)
Non-cash items in profit/(loss) after income tax		
Depreciation, amortisation and exploration costs expensed	3,500,000	-
Share based payments	159,117	(140,907)
Foreign exchange differences on discontinued operations	(345,831)	597,558
(Profit)/loss from disposal of discontinued operations	(197,099)	51,639
Gain on forgiveness of loans from former directors	(48,443)	-
Movements in assets and liabilities		
Receivables	(13,804)	363,223
Other assets	30,468	129,369
Inventories	-	431,728
Trade payables and accruals	1,868	(264,704)
Employee entitlements	48,406	(335,772)
Cash flows from operating activities	(1,602,210)	(1,570,192)

NOTE 16 CASH FLOW INFORMATION (continued)

Non-cash investing and financing transactions

2012

1,041,568 ordinary fully paid shares were issued at $0.48 per share in full consideration of the 2010 Convertible notes.

17,500,000 ordinary fully paid shares at $0.20 per share were issued to the vendors Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd in consideration for a 100% interest in these entities.

746,307 ordinary fully paid shares were issued to former Directors at $0.20 per share in full consideration of outstanding loans.

4,730,769 ordinary fully paid shares were issued at $0.13 per share in full consideration of the 2011 Convertible notes.

NOTE 17 SHARE BASED PAYMENTS

Shares

During the year the Company issued 1,041,568 ordinary fully paid shares at $0.48 per share ($500,000) in full consideration of the 2010 Convertible notes (Note 12). The value of the shares was determined in accordance with the Convertible note agreement adjusted for the share consolidation.

During the year the Company issued 17,500,000 ordinary fully paid shares at $0.20 ($3,500,000) per share to the vendors of Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd in consideration for a 100% interest in these entities and the tenements they hold. The fair value of the entities was deemed to equal the value of the shares issued. The value of the shares was determined by reference to the Company's offer price in the 2012 prospectus (Note 24).

During the year the Company issued 746,307 ordinary fully paid shares to former Directors at $0.20 per share ($149,261) in full consideration of outstanding loans (Note 12). The value of the shares was determined by reference to the Company's offer price in the 2012 prospectus.

During the year the Company issued 4,730,769 ordinary fully paid shares at $0.13 per share ($615,000) in full consideration of the 2011 Convertible notes (Note 12). The value of the shares was determined in accordance with the Convertible note agreement.

Remuneration Shares

The Company granted shares to participating Directors as part of their remuneration packages for the work undertaken in relation to the transactions outlined in the 2012 prospectus and executing the objectives of the business going forward.

The shares were granted for nil consideration. Information with respect to the number of shares granted is as follows:

2012				Movements (number of shares)					
Tranche	Grant Date	Expiry Date	Vesting Price	Balance at start of year	Granted in year	Exercised in year	Lapsed during year	Balance at end of year	Vested at end of year
1	4 June 2012	4 June 2017	$0.35	-	4,750,000	-	-	4,750,000	4,750,000
Vesting price				-	0.35	-	-	0.35	0.35

NOTE 17 SHARE BASED PAYMENTS (continued)

The value of shares granted in the year is the fair value of the shares calculated at grant date using a Black-Scholes pricing model. The model takes into account the following factors:

Inputs into pricing model	
Grant date	4 June 2012
Vesting date[(1)]	Share price of LMB reaching $0.35
Exercise price	Nil
Share price at grant date	$0.20
Life of the instrument	5 years
Underlying share price volatility	46.4%
Expected dividends	Nil
Risk free interest rate	3.17% - 3.29%

(1) This condition was met on 14 June 2012.

Key terms:

1. The ordinary shares can only vest within the 5 years after their issue.
2. All ordinary shares vest if the share price reaches $0.35 per share ("vesting date"), unless the Board and the Executive agree that the ordinary shares vest at a later date.
3. Half the ordinary shares on vesting are transferable immediately and have no restrictions in dealing in those ordinary shares, unless the vesting day occurs in a Share Sale Restriction Period, in which case, there is a prohibition of their sale until the end of that period.
4. There is a restriction on dealing with the remaining half of the vested ordinary shares and they cannot be sold until the earlier of:
   - Five years from the date of issue of the ordinary shares (except if this date falls within a Share Sale Restriction Period, in which case, there is a prohibition of sale until the end of that restriction period),
   - The first day after two years after the date of vesting of the ordinary share (except if this date falls within a Share Sale Restriction Period, in which case, there is a prohibition of sale until the end of that restriction period),
   - Cessation of employment of the Executive, and
   - A time otherwise specified by the Board.
5. If the Executive ceases employment with the Company for whatever reason prior to a vesting date, the Executive will be entitled to a pro rata vesting of half of his ordinary shares based on the Share Price being between $0.20 and $0.35 at the time of leaving and these ordinary shares will have no sale restrictions. The other half of the Executive's ordinary shares may also vest at the discretion of the Board at the time of the Executive leaving the Company.
6. If there is a change of control of the Company, all the ordinary shares immediately vest and there are no restrictions on their exercise or sale.
7. If the vested ordinary shares are subject to an escrow agreement and otherwise not subject to a restriction in dealing in those shares under the Rules, then the shares are subject to a restriction in dealing in those shares until the termination of the escrow agreement.
8. If the ordinary shares held by an Executive are no longer capable of vesting, the Executive and the Company will work together to determine a method of buying back, transferring, or cancelling the ordinary shares in such a manner which is not detrimental to the Executive.

The shares issued to Mr Pethica are not subject to the abovementioned conditions relating to ceasing employment (5 above).

NOTE 17 SHARE BASED PAYMENTS (continued)

Options

2,651,000 options over the ordinary shares were issued in December 2008 to Directors and certain executive staff of the Company after shareholder approval. The options were granted in accordance with performance guidelines established by the Directors of the Company and were disclosed in the replacement prospectus dated 11 September 2008.

Options issued to third parties were valued using the same methodology and assumptions as the Director and management options.

Information with respect to the number of options granted is as follows:

2012

				Movements (number of shares)					
Tranche	Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted in year	Exercised in year	Lapsed during year	Balance at end of year	Exercisable at end of year
Director and Management	31 Oct 2008	31 Oct 2011	$1.00	500,000	-	-	(500,000)	-	-
Third Party	28 Feb 2007	28 Feb 2012	$0.55	39,063	-	-	(39,063)	-	-
				539,063	-	-	-	-	-
Weighted average exercise price				0.97	-	-	0.97	-	-

2011

				Movements (number of shares)					
Tranche	Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted in year	Exercised in year	Lapsed during year	Balance at end of year	Exercisable at end of year
Director and Management	31 Oct 2008	31 Oct 2011	$1.00	500,000	-	-	-	500,000	500,000
Third Party	28 Feb 2007	28 Feb 2012	$0.55	39,063	-	-	-	39,063	39,063
				539,063	-	-	-	539,063	539,063
Weighted average exercise price				0.97	-	-	-	0.97	0.97

The weighted average remaining contractual life of share options outstanding at the end of the prior period was 0.36 years.

Fair value of options granted

The assessed fair value at the date of grant of options issued is determined using a Black-Scholes option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of the option, the underlying share's expected volatility, expected dividends and the risk free interest rate for the expected life of the instrument.

Expenses arising from share-based payment transactions

Total expenses/(revenues) arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2012 $	2011 $
Options issued under Director/management option plan	-	7,029
Cancellation of options issued under Director/management option plan	-	(147,937)
Remuneration shares issued to Directors	159,117	-
	159,117	(140,908)

NOTE 18 RELATED PARTY and KEY MANAGEMENT PERSONNEL

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 compensation

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

Summary	2012 $	2011 $
Short-term benefits	911,637	264,864
Long-term benefits	-	19,311
Post-employment benefits	56,799	25,995
Termination benefits	-	91,743
Share-based payments	159,117	(16,521)
	1,127,553	385,392

Detailed remuneration disclosures are provided in the Remuneration Report on pages 11 to 17.

Director/Key Management Personnel shareholdings (number of shares)

2012	Opening Balance	Reduction on share consolidation	Granted as remuneration	Net Change Other	Closing Balance
Directors					
Richard Trevillion	-		2,700,000	126,040	2,826,040
Craig Rugless	-		-	10,525,000	10,525,000
Rod Williams	-		-	7,010,000	7,010,000
Rick Anthon	-		-	250,000	250,000
Brian Pethica [1]	-		250,000	(250,000)	-
Rick Taylor [1]	2,454,555	(2,301,145)	1,800,000	(1,953,410)	-
Key Management Personnel					
Paul Marshall	-		-	80,000	80,000
Total	2,454,555	(2,301,145)	4,750,000	15,787,630	20,691,040

[1] Net change other - movement on retirement as Director.

2011	Opening Balance	Granted as remuneration	On Exercise of Options	Net Change Other	Closing Balance
Directors					
Richard Trevillion	-	-	-	-	-
Brian Pethica	-	-	-	-	-
James Walker[1]	527,230	-	-	(527,230)	-
Rick Taylor	2,454,555	-	-	-	2,454,555
Peter Bergquist[1]	200,918	-	-	(200,918)	-
John Fletcher[1]	1,786,459	-	-	(1,786,459)	-
Lars Utterman[1]	715,715	-	-	(715,715)	-
David Weber[1]	656,653	-	-	(656,653)	-
Total	6,341,530	-	-	(3,886,975)	2,454,555

[1] Net change other movement on retirement as Director.

NOTE 18 RELATED PARTY and KEY MANAGEMENT PERSONNEL (continued)

Director/Key Management Personnel option holdings (number of options)

There were no options held by Directors, key management personnel or other related parties during the year ended 30 June 2012.

2011	Opening Balance	Granted as remuneration	Options Exercised	Options Lapsed	Closing Balance
Directors					
Richard Trevillion	-	-	-	-	-
Brian Pethica	-	-	-	-	-
James Walker	676,000	-	-	(676,000)	-
Rick Taylor	180,000	-	-	(180,000)	-
Peter Bergquist	100,000	-	-	(100,000)	-
John Fletcher	100,000	-	-	(100,000)	-
Lars Utterman	-	-	-	-	-
David Weber	100,000	-	-	(100,000)	-
Total	1,156,000	-	-	(1,156,000)	-

Amounts Owed to Key Management Personnel and Other Related Parties

Director Loans

During the 2010 financial year, former Directors of the Company issued secured loans to the Company. These loans were ultimately settled through the issue of shares to the former Directors. The movements in loan balances are as follows:

2012	Opening Balance $	Amounts Forgiven $	Repayments $	Settlement in Shares $	Closing Balance $
Former Directors					
Rick Taylor	31,816	(6,892)	(24,924)	-	-
John Fletcher	159,078	(34,740)	-	(124,338)	-
David Weber	31,734	(6,811)	-	(24,923)	-
Total	222,628	(48,443)	(24,924)	(149,261)	-

011	Opening Balance $	Interest Charged $	Repayments $	Amounts Forgiven $	Closing Balance $
Former Directors					
Rick Taylor	52,323	2,794	-	(23,301)	31,816
John Fletcher	261,629	13,937	-	(116,488)	159,078
David Weber	52,193	2,784	-	(23,243)	31,734
Total	366,145	19,515	-	(163,032)	222,628

Other Payables

The Company owed Norvale Pty Ltd, an entity associated with Rod Williams, $30,992 at 30 June 2012 in relation to Director fees. The Company also owed Rod Williams $4,489.72 for expenses incurred on behalf of Lamboo Resources Limited.

The Company owed Hemming and Hart Lawyers, an entity associated with Rick Anton, $44,096 (excluding GST) at 30 June 2012 in relation to legal advice provided to the Company during the year.
At 30 June 2011, the Company owed Richard Trevillion $55,890, Rick Taylor $27,945 and Brian Pethica $27,945 in relation to Director fees outstanding from the period 13 March 2011 to 30 June 2011.

NOTE 18 RELATED PARTY and KEY MANAGEMENT PERSONNEL (continued)

Transactions with Related Parties

Hemming and Hart Lawyers, an entity associated with Rick Anton, provided legal advice totaling $44,096 to the Company during the year.

There were no other transactions between the Consolidated Entity and its related parties during the year (2011: nil).

NOTE 19 FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main risk arising from the financial instruments is cash flow interest rate risk.

There have been no substantive changes in the Consolidated Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board is responsible for managing the Consolidated Entity's identification and control of financial risks and for evaluating treasury management strategies in the context of the most recent economic conditions and forecasts. For the period under review, it has been the entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Consolidated Entity incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Consolidated Entity.

The maximum exposure to credit risk at balance date in relation to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 30 June 2012.

Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions. The Consolidated Entity did not have any material credit risk exposure to debtors or group of debtors under financial instruments entered into by the Consolidated Entity.

	2012 $	2011 $
Maximum exposure to credit risk		
Trade receivables	-	43,048
Non-trade receivables	53,035	40,748
Cash and cash equivalents	6,114,586	191,639
	6,167,621	275,435
Ageing of receivables		
Not past due	53,035	73,310
Past due 0-90 days	-	-
Past due >90 days	-	10,486
Impaired	-	-
	53,035	83,796

NOTE 19 FINANCIAL RISK MANAGEMENT (continued)

Credit risk - Cash and cash equivalents

The credit quality of financial assets that are neither past due nor impaired is considered strong. The counterparty to these financial assets are large financial institutions with strong credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board. The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2012. The amounts disclosed represent undiscounted cash flows.

The remaining contractual maturities of the financial liabilities are:

	2012 $	2011 $
Less than one year		
Trade and other payables	807,075	550,171
Loans from former Directors	-	222,628
Convertible notes	-	500,000
	807,075	1,272,799

Terms and conditions relating to the above financial instruments:

- Trade creditors are unsecured, non-interest bearing and are normally settled on 7 - 60 day terms
- Other creditors are unsecured and non-interest bearing
- Refer to Note 12 for the terms and conditions relating to the Loans from former Directors and Convertible notes

(c) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

Interest rate risk is managed by constant monitoring of interest rates. The Consolidated Entity's interest rate exposure is limited to its variable rate cash and cash equivalent assets.

Interest rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the interest rates at reporting date had been 100 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

NOTE 19 FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2012, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2012 $	2011 $	2012 $	2011 $
+1.00% (100 basis points)	5,096	1,916	5,096	1,916
-1.00% (100 basis points)	(5,096)	(1,916)	(5,096)	(1,916)

Foreign Currency Risk

Foreign currency risk arises as a result of having assets/cash flows denominated in a currency other than the home currency in which they are reported. At 30 June 2012, the Consolidated Entity had the following exposure to foreign currency:

	2012 $	2011 $
Financial Assets:		
Cash and cash equivalents – US Dollar	6,101	2,388
Cash and cash equivalents – Euro	46	(29,015)
Trade and other receivables– US Dollar	-	16,464
Trade and other receivables– Euro	-	46,906
	6,147	36,743
Financial Liabilities:		
Trade and other payables – Euro	17,811	267,342

Exchange rates over the 12 month period were analysed and a sensitivity determined to show the effect on profit and equity after tax if the exchange rates at reporting date had been 10% basis higher or lower, with all other variables held constant. The following sensitivity analysis is based on the foreign currency risk exposures in existence at the balance sheet date:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2012 $	2011 $	2012 $	2011 $
+10.00%	1,166	23,060	1,166	23,060
-10.00%	(1,166)	(23,060)	(1,166)	(23,060)

(d) Capital Risk Management

The Board controls the capital of the Consolidated Entity in order to provide capital growth to shareholders and ensure the Consolidated Entity can fund its operations and continue as a going concern. The Consolidated Entity's capital includes ordinary share capital. Further detail on the value share capital can be found in Note 14. There are no externally imposed capital requirements. The Board effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and the market.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Entity since the prior year.

NOTE 19 FINANCIAL RISK MANAGEMENT (continued)

(e) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

NOTE 20 SEGMENT REPORTING

Reportable Segments

Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance.

For the purpose of segment reporting, the Consolidated Entity is deemed to have operated in two segments during the year:

- Exploration, development, and production of minerals within Australia, representing the Consolidated Entity's current operations. All assets and liabilities at 30 June 2012 relate to this segment. All amounts disclosed as continuing operations throughout these financial statements relate to this segment.

- Development and manufacture of fluorescent compounds and fluorescence based kits for the global biotechnology industry. This segment has been discontinued.

The Company's historic business was the development and manufacture of fluorescent compounds and fluorescence based kits for the global biotechnology industry. Due to the 'Global Financial Crisis' and changes to the pharmaceutical industry the business model was deemed unsustainable. Consequently the Company decided in 2010 to wind down its operations and seek acquisition opportunities.

The Company's historic biotech business has been classified as a discontinued operation, and the comparative statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year. Refer to Note 2 for further details. All assets and liabilities in the prior period relate to this discontinued segment.

NOTE 21 COMMITMENTS

	2012 $	2011 $
Operating leases		
Minimum lease payments:		
Payable within one year	-	257,909
Payable within one year and five years	-	915,284
Payable later than five years	-	463,066
Total contracted at balance date	-	1,636,259

Operating leases relate to various offices under non-cancellable operating leases.

NOTE 21 COMMITMENTS (continued)

Future exploration

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

	2012 $	2011 $
Exploration obligations to be undertaken:		
Payable within one year	118,000	-
Payable between one year and five years	-	-
	118,000	-

NOTE 22 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Government Grant

On 7 January 2004 the Company entered a R&D Start Program (R&D) Grant Agreement with the Australian Government. The grant received under this agreement was $1,040,768 and was for the period 7 January 2004 to 31 December 2007.

A condition of this agreement is that the Company must obtain written approval from the Australian Government prior to a change in control of the company or ownership of the intellectual property associated with this project before 31 December 2012 for the R&D Grant.

Such approval for a potential change of control was obtained on 24 October 2011 in relation to a potential acquisition in the resources sector.

There are no other known contingent liabilities as at the date of this report. There are no known contingent assets as at the date of this report

NOTE 23 PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is Lamboo Resources Limited.

Parent Entity Financial Information

Current assets	6,167,692	239,886
Non-current assets	-	29,865
Total assets	6,167,692	269,751
Current liabilities	830,211	1,005,345
Non-current liabilities	-	-
Total liabilities	830,211	1,005,345
Net assets	5,337,481	(735,594)
Issued capital	30,201,610	18,796,705
Reserves	-	123,300
Accumulated losses	(24,864,129)	(19,655,599)
Total equity	5,337,481	(735,594)
Loss after income tax	(5,208,530)	(884,827)
Other comprehensive income	-	-
Total comprehensive income	(5,208,530)	(884,827)

Controlled Entities of the Parent Entity

	Percentage Owned		Country of Incorporation
	2012	2011	
	%	%	
Lamboo Resources No.1 Pty Ltd	100%	-	Australia
McKintosh Resources Pty Ltd	100%	-	Australia
Gel Company Pty Ltd	100%	100%	Australia
Gelcompany GmbH *	100%	100%	Germany

* On 20 October 2011, Gelcompany GmbH ("Gelco"), a 100% owned subsidiary of the Parent Company based in Germany, was placed into administration.

The Directors consider that, from 20 October 2011, the Parent Company no longer controls Gelco as the Parent Company does not have the power to govern the financial and operating policies of Gelco so as to obtain benefits from Gelco's activities.

Refer to Note 25 for further details.

Commitments, Contingencies and Guarantees of the Parent Entity

The minimum committed expenditure for future periods of the Parent Entity is Nil (2011: $87,893 within 1 year and $250,882 between 1 and 5 years for operating leases).

The Parent Entity has no contingent assets, contingent liabilities or guarantees at balance date.

NOTE 24 ASSET ACQUISITIONS

On 13 February 2012 the Company announced an option to acquire Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd. The option was exercised on 5 March 2012.

Following approval by shareholders at a general meeting held on 21 May 2012, Lamboo Resources acquired these entities through the issue of 17,500,000 shares to Pathfinder Exploration Pty Ltd and Norvale Pty Ltd, entities associated with Craig Rugless and Rod Williams.

The acquisitions had the following effects on the Consolidated Entity's assets and liabilities:

Entity Acquired	Lamboo Resources Pty Ltd $	McKintosh Resources Pty Ltd $
Total purchase consideration	2,800,000	700,000
Assets and liabilities acquired		
Total assets	-	-
Total liabilities	-	-
	-	-
Acquisition costs for the rights to explore, expensed as incurred in profit or loss	2,800,000	700,000

Lamboo Resources Pty Ltd and McKintosh Resources Pty Ltd were registered in 2012 to hold certain exploration project assets. At the time of acquisition, the exploration project assets were in the process of being transferred from Pathfinder Exploration Pty Ltd and Norvale Pty Ltd.

The Company has adopted an accounting policy of expensing the acquisition costs in relation to the purchase of these specific project assets for financial reporting purposes.

NOTE 25 DISPOSAL OF SUBSIDIARIES

2012

On 20 October 2011, Gelcompany GmbH ("Gelco"), a 100% owned subsidiary of the Parent Company based in Germany, was placed into administration.

The Directors consider that, from 20 October 2011, the Parent Company no longer controls Gelco as the Parent Company does not have the power to govern the financial and operating policies of Gelco so as to obtain benefits from Gelco's activities.

Accordingly, the results of Gelco have been consolidated from 1 July 2011 to 20 October 2011 in the financial statements of the Consolidated Entity for the period ended 30 June 2012. From 20 October 2011, Gelco is no longer consolidated into the financial statements of the Consolidated Entity, and the profit on disposal of Gelco on 20 October 2011 is as calculated below:

	Period ended 20 Oct 2011 $
Consideration	-
Deficiency in net assets on date of administration	
Bank overdraft	8,811
Trade and other receivables	(44,565)
Trade and other payables	189,707
Employee entitlements	43,146
Gain on disposal	197,099
Net cash flow on disposal of subsidiary	8,811

Gelcompany GmbH's contribution to the Consolidated Entity's loss during the period was as follows:

	Period ended 20 Oct 2011 $
Revenue	241,140
Expenses	(300,885)
Loss before income tax	(59,745)
Income tax expense	-
Loss after income tax	(59,745)

Significant Uncertainty

There is significant uncertainty as to:

- the outcome of the administration process, although the directors consider it is probable that Gelcompany GmbH will be liquidated;
- whether Lamboo Resources Limited will be liable for any liabilities of Gelcompany GmbH, although the directors consider that Lamboo Resources Limited should not be liable for any such liabilities.

There is a possibility, however, that Gelcompany GmbH may exit administration and subsequently be controlled by Lamboo Resources Limited. If this was to occur, there is also significant uncertainty as to the impact this would have on Lamboo Resources Limited.

NOTE 25 DISPOSAL OF SUBSIDIARIES (continued)

2011

On 29 September 2010, the Parent Company sold its 100% interest in its USA subsidiary Gel Company Inc. for USD 150,000. Details of the sale are as follows:

	Period ended 29 Sept 2010 $
Consideration	154,950
Carrying value of net assets disposed of	
Cash and cash equivalents	(52,238)
Trade and other receivables	(206,497)
Inventories	(390,562)
Property, plant and equipment	(14,821)
Trade and other payables	457,529
Loss on disposal	(51,639)
Net cash inflow on disposal of subsidiary	102,712

Gel Company Inc. contribution to the Consolidated Entity's loss during the period was as follows:

	Period ended 29 Sept 2010 $
Revenue	415,987
Expenses	(530,802)
Loss before income tax	(114,815)
Income tax expense	-
Loss after income tax	(114,815)

NOTE 26 EVENTS AFTER BALANCE SHEET DATE

There have been no other events since 30 June 2012 that impact upon the financial report.

DIRECTORS' DECLARATION

In the Directors' opinion:

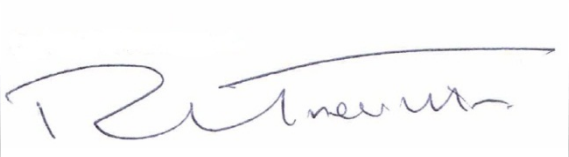
- the attached financial statements and notes thereto as set on pages 27 to 57 comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto as set on pages 27 to 57 give a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The attached financial statements and notes thereto as set on pages 27 to 57 comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



R Trevillion
Executive Chairman
Dated this 28th day of September 2012

LAMBOO RESOURCES LIMITED

ABN 27 099 098 192

INDEPENDENT AUDITOR'S REPORT

To the members of Lamboo Resources Limited:

Report on the Financial Report

We have audited the accompanying financial report of Lamboo Resources Limited ("the company"), which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the 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 for the consolidated entity, as set out on pages 27 to 57 . The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies 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 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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

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HLB Mann Judd

LAMBOO RESOURCES LIMITED

ABN 27 099 098 192

INDEPENDENT AUDITOR'S REPORT (continued)

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*, provided to the directors of Lamboo Resources Limited on 28 September 2012, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Lamboo Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Discontinued Operation

Without qualification to the above, we draw attention to the following matter. As set out in Note 25 to the financial report, there is significant uncertainty related to the outcome of the administration process of the company's subsidiary, Gelcompany GmbH. Our opinion is not modified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 17 of 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.

Auditor's Opinion

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

HLB Mann Judd

LAMBOO RESOURCES LIMITED

ABN 27 099 098 192

INDEPENDENT AUDITOR'S REPORT (continued)

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of Lamboo Resources Limited for the financial year ended 30 June 2012 published in the annual report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

A Smith

Sydney
28 September 2012

A G Smith
Partner