Macphersons Reward Gold Limited

ABN 98 139 357 967

Annual Financial Report

30 June 2010

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CORPORATE INFORMATION

ABN 98 139 357 967

Directors
Morrie Goodz
Jeffrey Williams
Ashok Parekh

Company Secretary
Stephen Hewitt-Dutton

Public Officer
Ashok Parekh

Principal Activity
Gold exploration

Registered Office
119 Maritana Street
Kalgoorlie WA 6430

Solicitors to the company
Price Sierakowski
Level 24, St Martin's Terrace
Perth WA 6000

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

DIRECTORS' REPORT

Your directors submit the annual financial report of Macphersons Reward Gold Limited for the financial period ended 30 June 2010. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Registration and change of name

The company was registered as a proprietary company on 9 September 2009 as Coolgardie Super Pit Pty Limited. On 20 January 2010 the company converted from a Proprietary to a Public company, changing its name to Coolgardie Super Pit Limited. On 25 February 2010 the company changed its name to Macphersons Reward Gold Limited.

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities:

Ashok Parekh (appointed 9 September 2009)

BBUS FCA AIMM FTIA
Chairman – Executive Director

Mr Ashok Parekh is a chartered accountant who owns a large Accounting Practice in Kalgoorlie, which he has operated for 25 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia, and was recently awarded the Meritorious Service Award by the Institute of Chartered Accountants, the highest award granted by the Institute in Australia.

Mr Parekh has over 25 years experience in providing advice to mining companies and services providers to the mining industry. He has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region, and has been the Managing Director of some of these companies. He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous businesses in the Goldfields.

Morrie Goodz (appointed 20 January 2010)

MSc (Mining Geol), MBA, Cert Mine Manager (VIC), FAusIMM, MCanIMM
Managing Director – Executive Director

Mr Morrie Goodz is a mining geologist and a Fellow of the Australasian Institute of Mining and Metallurgy, with 33 years industry experience including nine years experience in international mineral exploration in North America and Africa. Since 1985, he has been based in Australia with operational and strategic management roles at the A1, Morning Star, Daisy-Milano and Kalgoorlie Consolidated Gold Mines. Since 1987, Mr Goodz has been the Principal Consultant of Goodz GMC providing geological and mine planning services.

Mr Goodz was responsible for the project conception and discovery of the Daisy Milano shear zone extension where, amongst other operations, he designed and constructed the current decline and underground operations at the Daisy Milano gold mine.

Mr Goodz is actively involved in promoting mining education with various professional bodies and the WA School of Mines, and was the Chair of the AusIMM Sustainable Mining conference held in August 2010. Mr Goodz is an active public speaker at conferences and workshops on mine design, business improvement and strategic planning.

DIRECTORS' REPORT (CONTINUED)

Jeff Williams (appointed 20 January 2010)

BSc (Mining Eng), MBA, FAusIMM
Non-Executive Director

Mr Jeffrey Williams has 16 years experience as a professional mining engineer in Australia and seven years in the stockbroking industry and is a Fellow of the Australasian Institute of Mining and Metallurgy. In the mining industry, his experience ranges from mine planning, underground management and feasibility study through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in New South Wales. Following his Masters of Business Administration (MBA) programme in 1987, he played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he specialised in gold mining research in the stock broking industry. Prior to joining Nimbus Resources, he was the Head of Resources Research at James Capel Australia. Mr Williams is currently Managing Director of Mineral Deposits Limited and a Non-Executive Director of Morning Star Gold NL..

Mr Williams established Nimbus Resources (now Mineral Deposits Limited) in 1997, and acquired mineral sands assets from BHP-Billiton near Hawks Nest on the New South Wales coast in 1998. Mineral Deposits Limited has since secured the Sabodala gold and Grande Cote zircon projects in Senegal in West Africa, and commenced gold production in March 2009. The market capitalisation of Mineral Deposits Limited has increased from AUD$6 million in 2003 to over AUD$670 million in 2010.

Stephen Hewitt-Dutton (appointed 17 March 2010)

CA B.Bus., SA Fin
Company Secretary

Stephen is a Chartered Accountant and is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University, is an affiliate of the Institute of Chartered Accountants and a Senior Associate of FinSIA. He has over 17 years of experience in corporate finance, accounting and company secretarial matters.

Before joining Trident Capital, Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years.

Former Company Secretary
Ashok Parekh held office as Company Secretary from 9 September 2009 to 17 March 2010.

Interests in the shares and options of the company

The following relevant interests in shares and options of the company were held by the directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
Morrie Goodz	4,000,000	4,000,000
Jeff Williams	4,000,000	4,000,000
Ashok Parekh	6,000,000	6,000,001

No share options of Macphersons Reward Gold Limited were granted to directors during or since the end of the financial period as part of their remuneration.

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	*Exercise Price*	*Number of shares*
31 December 2013	$0.30	22,000,000

DIRECTORS' REPORT (CONTINUED)

Dividends
No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Meetings of Directors
During the period, 3 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number Attended
Morrie Goodz	-	-
Jeff Williams	-	-
Ashok Parekh	3	3

The Board of Directors approved a total of four (4) circular resolutions during the period ended 30 June 2010, which were signed by all Directors of the Company

Principal Activities
The principal activity of the company during the financial period was to evaluate and develop various mineral exploration projects.

Operating and Financial Review

	2010 **$**
Net loss attributable to equity holders of the company	(1,299,828)

The net loss for the period ended 30 June 2010 has been calculated in accordance with Australian equivalent to IFRS (AIFRS). Shares on issue at 30 June 2010 are as follows:

Class of Security	**Number**
Ordinary Shares, fully paid	39,891,675

Significant changes in the state of affairs
There have been no significant changes in the state of affairs of the entity to the date of this report.

Significant events after reporting date
The Company is in the process of an Initial Public Offering and ASX Listing and expects to issue 100,000,000 fully paid ordinary shares at 30 cents each raising $30,000,000 before issue costs. The Company will also acquire Macphersons Reward Pty Limited as part of the initial public offering.

Except for the above, there has not been any matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial periods.

Likely developments and expected results
Disclosure of information regarding likely developments in the operations of the entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the entity. Therefore, this information has not been presented in this report.

Environmental legislation
The entity is not subject to any significant environmental legislation.

DIRECTORS' REPORT (CONTINUED)

Indemnifying Officers or Auditors

The company has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 8 and forms part of this directors' report for the period ended 30 June 2010.

Non-Audit Services

There were no non-audit services provided by the company's auditors in the current financial period.

Signed in accordance with a resolution of the directors.

ASHOK PAREKH
Director
Perth 29 October 2010

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Macphersons Reward Gold Limited for the period ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macphersons Reward Gold Limited.

Perth, Western Australia
29 October 2010

L DI GIALLONARDO
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010

	Notes	**2010** **$**
Revenue	2	**11,446**
Administration expense		(1,001,836)
Consultant fees		(309,438)
Loss before income tax expense	2	**(1,299,828)**
Income tax expense	3	-
Net loss for the period		**(1,299,828)**
Other comprehensive income for the period, net of tax		**-**
Total comprehensive loss for the period		**(1,299,828)**
Basic loss per share (cents per share)	5	(7.68)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	2010 $
Current Assets		
Cash and cash equivalents	7	1,509,248
Trade and other receivables	8	107,131
Total Current Assets		1,616,379
Non-Current Assets		
Property, plant and equipment	9	250,071
Total Non-Current Assets		250,071
Total Assets		1,866,450
Current Liabilities		
Trade and other payables	10	249,473
Total Current Liabilities		249,473
Non-Current Liabilities		
Loan from related party	10	13,053
Total Non-Current Liabilities		13,053
Total Liabilities		262,526
Net Assets		1,603,924
Equity		
Issued capital	12	2,903,752
Accumulated losses	13	(1,299,828)
Total Equity		1,603,924

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2010

	Notes	2010 $
		Inflows/(Outflows)
Cash flows from operating activities		
Payments to suppliers and employees		(1,149,495)
Interest received		11,399
Net cash (used in) operating activities	7	(1,138,096)
Cash flows from investing activities		
Purchase of property plant & equipment		(256,408)
Net cash (used in) investing activities		(256,408)
Cash flows from financing activities		
Proceeds from the issue of shares		2,903,752
Net cash provided by financing activities		2,903,752
Net increase in cash and cash equivalents		1,509,248
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	7	**1,509,248**

The accompanying notes form part of these financial statements

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

	Note	Issued Capital	Accumulated losses	Total Equity
		$	$	$
Balance on incorporation		**-**	**-**	**-**
Total comprehensive loss for the period		-	(1,299,828)	(1,299,828)
Shares issued during the period		2,903,752	-	2,903,752
Balance at 30 June 2010		**2,903,752**	**(1,299,828)**	**1,603,924**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report covers the period from registration, 9 September 2009 to 30 June 2010, and as this is the Company's first financial report, no comparatives are applicable

The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is an unlisted public company, incorporated in Australia. The entity's principal activities are to evaluate and develop various mineral exploration projects.

The company has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the perod ended 30 June 2010, the company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to company accounting policies.

The company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2010. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to company accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 29 October 2010.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Critical accounting judgments and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign Currency Translation

Both the functional and presentation currency of Macphersons Reward Gold Limited is Australian dollars.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Tax (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is recognised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(i) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of assets (continued)

asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is shown in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been amortisation becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Property improvements	2.5% per annum
Plant and equipment	8% to 40% per annum

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each balance date.

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(m) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee leave benefits (continued)

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Issued capital

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

(p) Earnings per share

Basic earnings/loss per share is calculated as net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Segment reporting

The Company has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 replaces AASB 114 *Segment Reporting*. The new standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented by the company as operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 2: REVENUE AND EXPENSES

	2010 $
Included in the net loss for the period are the following revenue and expense items:	
(a) Revenue	
Bank interest receivable	11,399
Interest received	48
	11,447
(b) Expenses	
Auditor's remuneration	10,000
Consultancy fees	309,438
Depreciation of non-current assets	6,337
Hire of plant & equipment	281,012
Drilling Costs	288,158
Materials & Mining Supplies	51,618
Repairs & maintenance	48,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 3: INCOME TAX

	2010 $
(a)The prima facie income tax expense/benefit on pre-tax accounting loss from operations reconciles to the income tax expense/benefit in the financial statements as follows:	
Loss before tax	(1,299,828)
Income tax benefit calculated at 30%	389,948
Unused tax loss not recognised as a deferred tax asset	(389,948)
Income tax expense reported in the statement of comprehensive income	-
(b)Unrecognised deferred tax balances	
The following deferred tax assets (at 30%) have not been brought to account:	
Unrecognised deferred tax asset – tax losses	389,948
Net deferred tax assets	**389,948**

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

The deductible temporary differences and tax losses 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 company can utilise the benefits thereof.

NOTE 4: SEGMENT REPORTING

The Company has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the company that are reviewed by the chief operating decision maker (deemed to be the Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of Macphersons Reward Gold Limited reviews internal reports prepared as financial statements and strategic decisions of the company are determined upon analysis of these internal reports. During the period, the company operated predominantly in one business and geographical segment being the gold exploration sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 5: EARNINGS PER SHARE

	2010
	$
Basic earnings per share:	
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share, are as follows:	
Loss for the period	(1,299,828)
	Number
Weighted average number of ordinary shares	16,919,210

NOTE 6: DIVIDENDS

No dividends were declared or paid during the period.

NOTE 7: CASH AND CASH EQUIVALENTS

	2010
	$
Cash at bank	1,509,248

Cash balances earn interest at variable rates based on daily bank deposit rates.

The company did not engage in any non-cash financing activities for the period ending 30 June 2010 and was not party to any borrowing facilities for the same period.

All cash was available for use, and no restrictions were placed on the use of cash at any time during the period.

(i) Reconciliation to Statement of Cash Flows

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position, as follows:

Cash at bank and in hand	1,509,248

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 7: CASH AND CASH EQUIVALENTS (Continued)

(ii) Reconciliation of net loss for the period after income tax to net cash used in operating activities

	2010 **$**
Net loss for the period	(1,299,828)
Adjustments for:	
Non-cash expenses – depreciation	6,337
Decrease/(increase) in debtors	(107,131)
Increase/(decrease) in creditors	249,473
(Decrease)/increase in non-current creditors	13,053
Net cash (used in) operating activities	**(1,138,096)**

NOTE 8: CURRENT TRADE AND OTHER RECEIVABLES

	2010 **$**
Prepayments	11,357
GST recoverable	95,774
	107,131

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Property Improvements $	Plant & equipment $	Total $
Period ended 30 June 2010			
At registration	-	-	-
Additions	117,492	138,916	256,408
Depreciation charge for the period	(16)	(6,321)	(6,337)
At 30 June 2010, net of accumulated depreciation and impairment	117,476	132,595	250,071

At 30 June 2010	
Cost	256,408
Accumulated depreciation and impairment	(6,337)
Net carrying amount	250,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 10: TRADE AND OTHER PAYABLES

	2010
CURRENT	**$**
Trade payables (i)	138,369
Accruals	108,950
Other creditors	2,154
	249,473

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

	2010
NON-CURRENT	**$**
Payable to related party	13,053
	13,053

NOTE 11: REMUNERATION OF AUDITORS

Audit of financial statements	10,000

The auditor of Macphersons Reward Gold Limited is HLB Mann Judd

NOTE 12: ISSUED CAPITAL

	2010
	$
Ordinary shares issued and fully paid	2,903,752

	2010	
	No.	**$**
Movement in ordinary shares on issue		
Shares issued – 9 September 2009	1	1
Shares issued – 20 January 2010	22,000,000	220,000
Shares issued – 16 March 2010	12,201,667	1,830,250
Shares issued – 23 March 2010	1,133,333	170,000
Shares issued – 1 April 2010	833,333	125,000
Shares issued – 29 June 2010	3,723,341	558,501
Balance at end of financial period	39,891,675	2,903,752

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 12: ISSUED CAPITAL (continued)

Options	**2010 No.**	**2010 Weighted average exercise price**
Outstanding at date of registration	-	-
Issued during the period	22,000,000	0.30
Outstanding at the end of the period	22,000,000	0.30
Exercisable at the end of the period	22,000,000	0.30

	Number	**Grant date**	**Expiry date**	**Exercise price $**	**Fair value at grant date $**
Un-listed options (i)	22,000,000	20/01/10	31/12/2013	0.30	-

(i) These options were issued as free attaching options on seed capital raising.

NOTE 13: ACCUMULATED LOSSES AND RESERVES

Accumulated Losses

Movements in Accumulated Losses were as follows:

	2010 $
Balance at date of registration	-
Net loss for the period	(1,299,828)
Balance at end of financial period	(1,299,828)

NOTE 14: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The company did not enter into or trade financial instruments, including derivates financial instruments, for speculative purposes. The use of financial derivatives was governed by the company's policies approved by the Board of Directors, which provide written principles on the use of financial derivates. Compliance with policies and exposures limits is reviewed by the directors on a continuous basis.

Exposure to credits, interest rate and currency risks arises in the normal course of the company's business.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 12: ISSUED CAPITAL (continued)

(b) Credit Risk

Credit risk arises from cash and cash equivalents, deposits held with banks and financial institutions as well as credit exposures to counterparties through the potential failure of counterparties to meet their obligations at maturity of contracts. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis, credit evaluations will be performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of financial assets.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the company. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the reporting date there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The company held the following financial instruments as at 30 June 2010:

Financial Instruments	Floating interest rate 2010 $	Non-interest Bearing 2010 $	Fixed interest rate maturing in: 1 year or less 2010 $	Total Carrying amount 2010 $	Weighted average effective interest rate 2010 %
Financial assets					
Cash at bank	1,509,248	-	-	1,509,248	2.5
Receivables	-	107,131	-	107,131	-
Total financial assets	1,509,248	107,131	-	1,616,379	-
Financial liabilities					
Creditors & Borrowings	-	262,526	-	262,526	-
Total financial liabilities	-	262,526	-	262,526	-

(c) Capital risk

Macphersons Reward Gold Limited's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2010, Macphersons Reward Gold Limited's strategy was to keep borrowings to a minimum. The company's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(d) Liquidity risk

Maturity profile of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 14: FINANCIAL INSTRUMENTS (continued)

(d) Liquidity risk (continued)

The company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates. The company does not have significant interest-bearing assets and is not materially exposed to changes in market interest rates.

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

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

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

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2010	<1 year	1 – 5 years	Over 5 years	Total	Interest Rate* %
Financial Assets:					
Cash	1,509,248	-	-	1,509,248	2.5
	1,509,248	-	-	1,509,248	-

*Weighted Average Effective Interest Rate

(e) Interest Rate Risk Sensitivity

The sensitivity analysis below has been determined on the exposure to interest rates for non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if the interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's net profit would increase by $7,546 and decrease by $7,546. This is attributable to the company's exposure to interest rates on its cash.

(e) Fair value estimation

Macphersons Reward Gold Limited has adopted the amendments to AASB 7 *Financial Instruments: Disclosures* which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

The entity's principle financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 15: RELATED PARTY DISCLOSURE

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

a) Transactions of Directors and Director related entities concernings Share or Options were:

Number of Shares and Options of the company held directly, indirectly or beneficially by Directors or Director-related entities at reporting date:

Shares	Held at beginning of the period	Changes during the period	Held at end of period
Morrie Goodz	-	4,000,000	4,000,000
Jeff Williams	-	4,000,000	4,000,000
Ashok Parekh	-	6,000,001	6,000,001

Options	Held at beginning of the period	Expired during the period	Held at end of period
Morrie Goodz	-	4,000,000	4,000,000
Jeff Williams	-	4,000,000	4,000,000
Ashok Parekh	-	6,000,000	6,000,000

b) Morrie Goodz has been providing corporate advisory services to Macphersons Reward Gold Limited. The company paid an amount of $68,662 in consultancy fees for the financial period ended 30 June 2010 to Goodz & Associates, a business controlled by Mr Goodz.

c) Reimbursements of $92,061 were paid to Macphersons Reward Pty Ltd during the period, a company of which Ashok Parekh is a director.

No other benefits have been received or are receivable by Directors or Director related entities, other than those already disclosed in the notes to the financial statements.

NOTE 15: EVENTS AFTER THE REPORTING DATE

The Company is in the process of an Initial Public Offering and ASX Listing and expects to issue 100,000,000 fully paid ordinary shares at 30 cents each raising $30,000,000 before issue costs. The Company will also acquire Macphersons Reward Pty Limited as part of the initial public offering.

Except for the above, there has not been any matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial periods.

NOTE 16: COMPANY DETAILS

The registered office and principal place of business of the company is:

Macphersons Reward Gold Limited
119 Maritana Street
KALGOORLIE WA 6430

DIRECTORS' DECLARATION

In the opinion of the directors of Macphersons Reward Gold Limited ('the company'):

1. The financial statements and notes thereto, as set out on pages 9 to 27, are in accordance with the Corporations Act 2001 including:

   a. giving a true and fair view of the company's financial position as at 30 June 2010 and of the performance of the company for the period then ended; and

   b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The financial statements and note thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

ASHOK Parekh

Director

Dated this 29th day of October 2010

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of
Macphersons Reward Gold Limited

We have audited the accompanying financial report of Macphersons Reward Gold Limited, which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Macphersons Reward Gold Limited, as set out on pages 9 to 28.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements of Macphersons Reward Gold Limited comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 opinions.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Macphersons Reward Gold Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the period ended on that date; and

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

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(c).

HLB Mann Judd.

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
29 October 2010

L DI GIALLONARDO
Partner