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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

KALBAR RESOURCES LTD.

ACN

149 545 362

Lodgement details

Registered agent number

3218

Registered agent name

ROACH & BRUCE CONSULTING PTY LTD

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date

30-06-2013

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Current auditor

Date of appointment **02-03-2011**

Name of auditor
BDJ PARTNERS

Address
LEVEL 13
122 ARTHUR STREET
NORTH SYDNEY NSW 2060

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.
Yes

Signature

Select the capacity in which you are lodging the form
Agent

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.
Yes

Authentication

This form has been authenticated by
Name ROACH & BRUCE CONSULTING PTY LTD
This form has been submitted by
Name Julie WILLIAMS
Date 05-12-2013

For more help or information

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KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

Liability limited by a scheme approved under Professional Standards Legislation

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

CONTENTS

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2013.

Directors

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

Mr Rob Bishop
Mr Ian Warden
Mr Robert Waring
Mr Stephen Bartrop retired 28 February 2013
Mr Russel Middleton retired 27 February 2013
Mr Keith Williams retired 28 February 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to $199,637.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were investment and venture finance..

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- A fully franked dividend of $166,818 was paid during the year.

Options

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

DIRECTORS' REPORT

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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 purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

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

Director: ______________________
Mr Rob Bishop

Director: ______________________
Mr Ian Warden

Dated this day of 4th December 2013

bdjpartners

CHARTERED ACCOUNTANTS

partners
C H Barnes FCA
A J Dowell CA
B Kolevski CPA (Affiliate ICAA)
M Galouzis CA
A N Fraser CA

associate
M A Nakkan CA

consultant
R H B Boulter FCA

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Auditor's Independence Declaration

To the directors of Kalbar Resources Limited

As engagement partner for the audit of Kalbar Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

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

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

BDJ Partners

Chartered Accountants

....

Anthony J Dowell
Partner
21 November 2013

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue		21,710.26	577,204.79
Auditors' remuneration		(10,000.00)	-
Depreciation and amortisation expenses		(896.57)	(315.00)
Other expenses		(200,119.35)	(211,545.89)
(Loss) Profit before income tax	2	(189,305.66)	365,343.90
Income tax expense	3	(10,331.00)	10,331.00
(Loss) Profit for the year		(199,636.66)	375,674.90
Retained earnings at the beginning of the financial year		375,618.78	11,396,521.86
Interim Dividend Paid		(166,818.46)	(11,396,577.98)
Profit attributable to members of the company		9,163.66	375,618.78

The accompanying notes form part of these financial statements.

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	208,424.27	1,345,728.40
Trade and other receivables	6	3,665.00	11,541.12
TOTAL CURRENT ASSETS		212,089.27	1,357,269.52
NON-CURRENT ASSETS			
Property, plant and equipment	9	448.29	1,344.86
Tax assets	7	-	10,331.00
TOTAL NON-CURRENT ASSETS		448.29	11,675.86
TOTAL ASSETS		212,537.56	1,368,945.38
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	12,000.00	39,099.59
Tax liabilities	7	-	0.01
TOTAL CURRENT LIABILITIES		12,000.00	39,099.60
TOTAL LIABILITIES		12,000.00	39,099.60
NET ASSETS		200,537.56	1,329,845.78
EQUITY			
Issued capital	10	41,000.00	954,227.00
Reserves		150,373.90	-
Retained earnings	11	9,163.66	375,618.78
TOTAL EQUITY		200,537.56	1,329,845.78

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Retained earnings $	Share Redemption Reserve $	Total $
Balance at 1 July 2011		11,396,522		11,396,522
Profit attributable to equity shareholders		375,675		375,675
Dividends paid or provided for	4	(11,396,578)		(11,396,578)
Balance at 30 June 2012		375,619	-	375,619
Profit attributable to equity shareholders		(199,637)		(199,637)
Redemption Reserve			150,374	150,374
Sub-total		175,982	150,374	326,356
Dividends paid or provided for	4	(166,818)		(166,818)
Balance at 30 June 2013		9,164	150,374	159,538
Issued Capital	10			41,000

The accompanying notes form part of these financial statements.

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,384.18	170,396.01
Payments to suppliers and employees	(237,218.94)	(5,275,038.16)
Interest received	22,202.02	397,367.66
Income tax paid	(0.01)	
Net cash provided by operating activities	**(207,632.57)**	**(4,707,274.49)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan repayments	-	(181,790.27)
Payments for property, plant and equipment	-	(1,659.86)
Net cash provided by investing activities	**-**	**(183,450.13)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for share buyback	(762,853.10)	(707,873)
Dividends paid	(166,818.46)	(11,396,577.98)
Net cash provided by financing activities	**(929,671.56)**	**(12,104,450.98))**
Net increase (decrease) in cash held	(1,137,304.13)	(16,995,175.60)
Cash at beginning of financial year	1,345,728.40	18,340,904.00
Cash at end of financial year	**208,424.27**	**1,345,728.40**

The accompanying notes form part of these financial statements.

1 Statement of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the business.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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

Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	66.67% Diminishing

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(i) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Kalbar Resources Limited designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(ii) Hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the company's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of hedge assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair value

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

Impairment

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

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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 Standard.

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

		2013 $	2012 $
2	**Profit for the year**		
	Profit before income tax from continuing operations includes the following specific expenses:		
	Expenses		
	Depreciation of property, plant and equipment	896.57	315.00
	Foreign currency translation losses	491.94	(179,837.13)
3	**Income Tax Expense**		
	The components of tax expense comprise:		
	Income Tax Expense		
	Future Income Tax Expense	10,331.00	(10,331.00)
4	**Dividends**		
	Distributions paid:		
	Interim Dividend Paid	166,818.46	11,396,577.98
5	**Cash and Cash Equivalents**		
	ANZ Business Classic AC	21,705.44	33,052.62
	ANZ Business Online Saver	186,718.83	1,312,675.78
		208,424.27	1,345,728.40
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
	ANZ Business Classic AC	21,705.44	33,052.62
	ANZ Business Online Saver	186,718.83	1,312,675.78
		208,424.27	1,345,728.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2013 $	2012 $
6	**Trade and Other Receivables**		
	Current		
	Sundry Debtors	-	(0.21)
	Tax Refundable	3,665.00	-
	Loan - Breakaway Investment Group	-	4,046.46
	Input Tax Credits	-	5,394.87
	Other Debtors	-	2,100.00
		3,665.00	11,541.12
7	**Tax**		
	Liabilities		
	Current		
	Provision for Income Tax	-	0.01
	Assets		
	Future Income Tax Benefit	-	10,331.00
8	**Trade and Other Payables**		
	Current		
	Sundry Creditors	12,000.00	13,070.46
	Trade Creditors	-	26,029.13
		12,000.00	39,099.59
9	**Property, Plant and Equipment**		
	PLANT AND EQUIPMENT		
	Plant and Equipment:		
	At cost	1,659.86	1,659.86
	Accumulated depreciation	(1,211.57)	(315.00)
	Total Plant and Equipment	448.29	1,344.86

	2013	2012
	$	$

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	$	$	$	$	$
Balance at 1 July 2012	-	-	1,659.86	-	1,659.86
Depreciation expense	-	-	(896.57)	-	(896.57)
Carrying amount at 30 June 2013	-	-	763.29	-	763.29

10 Issued Capital

	2013	2012
Fully Paid Ordinary Shares	41,000.00	954,227.00

11 Retained Earnings

	2013	2012
Retained earnings at the beginning of the financial year	375,618.78	11,396,521.86
(Net loss) Net profit attributable to members of the company	(199,636.66)	375,674.90
Dividends provided for or paid	(166,818.46)	(11,396,577.98)
Retained earnings at the end of the financial year	9,163.66	375,618.78

12 Cash Flow Information

	2013	2012
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit (Loss) after income tax	(199,636.66)	375,674.90
Non-cash flows in profit		
Depreciation	896.57	315.00

	2013 $	2012 $
Changes In assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	7,876.12	(11,541.12)
(Increase)/decrease in tax assets	10,331.00	(10,331.00)
Increase/(decrease) in trade and other payables	(27,099.59)	39,099.59
Increase/(decrease) in tax liabilities	(0.01)	0.01
	(207,632.57)	393,217.38

13 Company Details

Kalbar Resources Limited
33 Melrose Parade CLOVELLY NSW 2031

KALBAR RESOURCES LIMITED
A.B.N.: 30 149 545 362

DIRECTORS' DECLARATION

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

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 7, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards as stated in Note 1; and

   (b) give a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: X ______________________
Mr Rob Bishop

Director: X ______________________
Mr Ian Warden

Dated this day of 28/11/13

bdjpartners

CHARTERED ACCOUNTANTS

partners
C H Barnes FCA
A J Dowell CA
B Kolevski CPA (Affiliate ICAA)
M Galouzis CA
A N Fraser CA

associate
M A Nakkan CA

consultant
R H B Boulter FCA

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Independent Auditor's Report

To the members of Kalbar Resources Limited

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Kalbar Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

bdjpartners
CHARTERED ACCOUNTANTS

partners
C H Barnes FCA
A J Dowell CA
B Kolevski CPA (Affiliate ICAA)
M Galouzis CA
A N Fraser CA

associate
M A Nakkan CA

consultant
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Independence

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

Opinion

In our opinion the financial report of Kalbar Resources Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

BDJ Partners
Chartered Accountants

A Dowell

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Anthony J Dowell
Partner

Dated 4 December 2013.