BCD RESOURCES NL

ABN 22 057 793 834

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2013

www.bcdresources.com.au

BCD RESOURCES NL
Corporate Information
Year Ended 30 June 2013

ABN 22 057 793 834 *ASX CODE BCD*

Directors

Clive S Carroll	Non-Executive Chairman
David F Groves	Non-Executive Director
Nigel B Webb	Non-Executive Director

Company Secretaries

Richelle A Greenwood
Brian D Coulter

Registered Office and Principal Place of Business

1 Rifle Range Road
Beaconsfield Tas 7270

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Facsimile:	(03) 6383 6590
Website:	www.bcdresources.com.au
E-mail:	enquiries@bcdresources.com.au

Share Registry

Computershare Investor Services Pty Limited
PO Box 103
Abbotsford Vic 3067

Telephone:	(03) 9415 5000
	(03) 9415 4661 (Investor Contact)
	1300 136 250 (Investor Contact)
Facsimile:	(03) 9473 2500
Website:	www.computershare.com

BCD Resources NL shares are listed on the Australian Securities Exchange (ASX).

Auditor

RSM Bird Cameron Partners
Level 8, Rialto South Tower
525 Collins Street
Melbourne Vic 3000

Solicitors

Mills Oakley Lawyers
Level 6
530 Collins Street
Melbourne Vic 3000

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The Directors present their report together with the financial report of the Company for the year ended 30 June 2013.

DIRECTORS

The following persons were Directors of the Company throughout the financial year and until the date of this report. Directors were in office for the entire year and up until the date of this report unless otherwise stated.

- Clive S Carroll (appointed 24 July 2012) — Non-executive Chairman
- David F Groves (appointed 31 August 2012) — Non-executive Director
- Nigel B Webb — Non-executive Director
- Michael D Botting (resigned 3 September 2012) — Non-executive Chairman
- Kevin J Perrin (resigned 3 September 2012) — Non-executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were:

- finalisation of processing of gold from the Tasmania Mine at Beaconsfield Tasmania
- production of gold from Lefroy tailings in north-east Tasmania
- rehabilitation of the Tasmania Mine processing and mine site areas
- sale of the Company's copper assets in Victoria; and
- investigating longer term utilisation of the Beaconsfield processing plant.

Underground mining operations at the Tasmania Mine had ceased by 30 June 2012 and, after removal of saleable equipment, the mine shaft was closed and all accesses sealed. The processing facility will now be utilised for the treatment of refractory gold concentrates and other resources identified in future development.

The BCD Resources group, which includes the BCD Resources (Operations) group, has a 100% direct interest in the Tasmania Mine, including the Beaconsfield processing facility. As at 30 June 2013, members of BCD Resources NL held an overall 94.88% equity interest in the Tasmania Mine (based on voting rights, and 94.24% based on total shares on issue).

DIVIDENDS

There were no dividends paid or declared during the financial year.

CONSOLIDATED RESULTS

The financial results for the 2012/13 year for BCD Resources and controlled entities are summarised in the following table:

	2013 ($'000)	2012 ($'000)
Gold and silver sales revenue	**13,578**	72,970
Other	**1,190**	1,186
Total revenue excluding interest revenue	**14,768**	74,156
EBITDA	**(3,958)**	27,157
Net loss after tax before minority interests	**(8,617)**	(10,075)
Net loss after tax after minority interests	**(7,827)**	(9,870)

REVIEW OF OPERATIONS

Operations Performance

Processing of all underground ore and gold recovery from the Tasmania Mine was successfully completed in June 2012. During July and August clean-up of all gold circuits and tanks in the processing facility resulted in production of 3,626 ounces of gold.

Operations commenced in September 2012 near Lefroy in NE Tasmania to produce tailings materials for processing at Beaconsfield. The existing bacterial oxidation plant was modified to facilitate gold production by carbon-in-leach (CIL) technology which will be utilised for both future Stormont and Lorena production. Processing was completed in March 2013. The project delivered 129,499 tonnes at an average in situ grade of 1.35 g/t gold and a recovery grade of 0.5g/t gold.

Further implementation of the decommissioning and rehabilitation activities continues. Rehabilitation of the major historical Tailings Dam One was completed in June 2013. The rehabilitation exercise was the largest single rehabilitation in Tasmania to date and spanned approximately 25 hectares.

Financial Performance

With a decrease in processing due to the closure of the Tasmania Mine and the commencement of tailings processing, it should be noted that comparatives for the financial year with prior year are materially lower.

During the 2013 financial year the group's net loss of $8.617 million, reflected: -

- Write-off of exploration expenditure incurred on Tasmanian tenements which are now complete and write-off of expenditure incurred on Victorian Copper tenements following their sale ($3.305 million, net of sale proceeds).
- Accelerated depreciation and amortisation of $4.842 million due to the closure of the Tasmania Mine; and
- Increase in rehabilitation provision of $1.272 million following a re-evaluation of the costs to complete.

These factors were partly offset by profit on sale of redundant equipment from the Tasmania Mine of $1.190 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year ended 30 June 2013 was a loss of $3.958 million (2012: profit of $27.157 million). The consolidated net loss after tax and before minority interests for the year was $8.617 million (2012: loss of $10.075 million). The consolidated net loss after tax and after minority interests for the year was $7.827 million (2012: loss of $9.870 million). The net loss after tax and after minority interests for the year of $7.827 million includes the parent entity's share ($6.271 million) of the $7.061 million loss of the BCD Resources (Operations) NL group for the year.

Gold and silver sales revenue for the 2013 year was $13.578 million (2012: $72.970 million). The decrease reflects lower volumes of ore processed and the rehabilitation costs associated with the closure of the Tasmania Mine.

Financial Position

Total equity decreased to $7.625 million from $16.242 million as a result of the net loss of $8.617 million.

Further information on the financial position of the Consolidated Entity is included in the Financial Statements section of the Annual Report.

Cash Flows

Cash flow from operating activities was negative $8.104 million (2012: positive $21.121 million). Rehabilitation expenditure totalled $5.861 million and this was the principal utilisation of funds during the year.

Future cash flows will include the balance of consideration from the Victorian asset sale of $1.8 million which will be received by instalments over the coming twelve months, with the final instalment of $0.5 million payable in cash or, at the option of BCD, in shares to the value of $0.5 million should the assets reside in an ASX listed entity.

Cash at 30 June 2013 was $2.750 million (2012: $9.224 million). Refer note 30(b).

STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under audit not otherwise disclosed in this report or in the consolidated financial statements.

CORPORATE STRUCTURE

BCD Resources NL is a no liability company that is incorporated and domiciled in Australia. BCD Resources NL has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which comprise 100% ownership of BCD Metals Pty Ltd, BCD Operations Pty Ltd and BCD Tasmania Pty Ltd. The consolidated financial report also incorporates BCD Resources (Operations) NL, comprising 88.82% ownership of the total shares on issue (90.06% of the voting power) of BCD Resources (Operations) NL (refer note 10) to the Financial Statements).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

With the completion of mining operations at the Tasmania Mine in June 2012, the Company is now focused on the development and evaluation of the economics of treating other gold deposits and investigating longer term utilisation of the Beaconsfield processing facility, including processing of ore from future projects at Stormont and Lorena.

Stormont

The Stormont deposit is a skarn-style gold-silver-bismuth deposit located in northern Tasmania, 40km south of Devonport and 130km by road to Beaconsfield. It is a shallow, keel-shaped deposit, with mineralisation commencing at surface and extending to around 40m depth. A small open cut mine was operated historically for bismuth, but the majority of the deposit is undeveloped. It lies on exploration licence EL42/2010 and is held by Torque Mining Ltd (90%) and Frontier Resources Ltd (10%).

Previous metallurgical test work indicates that the gold is free-milling and that high recoveries should be achieved from Carbon-In-Leach (CIL) processing. A 50/50 Joint Venture has been formed which allows for the completion of a feasibility study, with BCD as the manager and operator, and for BCD to then develop and process Stormont ore.

Lorena

BCD Resources NL (BCD) and Malachite Resources Ltd (MAR) have entered into formal joint venture agreements (Joint Venture) for the development of the Lorena Gold Mine (Lorena).

The Lorena Gold Project is wholly owned by Malachite and is located about 15km east of Cloncurry in northwest Queensland. Malachite and BCD propose to establish an unincorporated joint venture to develop and operate the project and to transport the concentrate produced at Lorena to BCD's Beaconsfield processing facility for final treatment and production of gold doré.

BCD will be the manager of the Joint Venture and be responsible for all development, operating and management functions. The Joint Venture will operate on the existing granted mining leases at Lorena (MLs 7147 and 90192 – 96) and will apply to all open cut and underground resources within the mining lease area.

BCD is required to solely fund the development of the project to the point of commercial production, including construction and commissioning of a flotation facility, capable of efficiently processing a minimum of 120,000 tonnes of ore per annum, and related infrastructure.

Initially the net proceeds will be shared 50/50, but once production exceeds 80,000 ounces of saleable gold equivalent, Malachite's share of proceeds will increase to 65% and after 120,000 ounces of saleable gold equivalent have been produced from Lorena, Malachite and BCD will share the product 75% MAR and 25% BCD.

Middle Arm Tailings

The Tasmania Mine at Beaconsfield operated in two phases, with early operations from 1877 to 1914 and modern operations from 1999 to 2012. The tailings from the early phase of operations are the focus of this project. The battery and associated plant infrastructure (the "reduction works") were located approximately one mile from the main (Hart) shaft, on the banks of Middle Arm Creek. Tailings from the reduction works were discharged into the creek, and this material was then carried into Middle Arm. Records indicate approximately 1.04M tonnes of ore was treated at the reduction works with approximately 855,000 ounces of gold produced at a recovered grade of 25.6g/t. These activities resulted in the deposition of approximately 1.04M tonnes of tailings into Middle Arm.

Between 1985 and 1988, a company called Golconda Resources re-treated 541,000 tonnes of tailings from Middle Arm and produced 20,448 ounces of gold at a recovered grade of 1.18g/t using a cyanide leaching process.

A simple mass balance suggests that a minimum of 500,000 tonnes of tailings should remain in Middle Arm. BCD Resources applied for, and was granted, an exploration licence (EL6/2012) over Middle Arm in order to assess this potential. 84 vibracores were collected on a nominal 200m x 100m grid in Middle Arm in August and September 2012. Initial studies indicate a potentially economic mining zone containing approximately 311,000 tonnes at an in situ gold grade of 2.0 grams per tonne for 19,700 ounces of gold.

INFORMATION ON DIRECTORS

Current Directors

Mr. Clive S Carroll BAgEc
Non-Executive Chairman (aged 63)

Mr. Carroll has more than 36 years' experience in banking, finance, commodities marketing and the mining industry. He is presently Executive Chairman of MKS Capital Pty Ltd, a Sydney based investment bank involved in the trading and financing of precious metals, commodities, foreign exchange and equity derivatives and non-ferrous metals. He is a current and past director of both Australian public and private companies, including Grainco Queensland Co-Operative Association Limited (independent director), Tennant Limited (Executive Chairman) and Imdex Limited (Director and Chairman).

Mr. ***David F Groves, BCom, MCom, CA, FAICD***
Non-Executive Director (aged 58)

Mr. Groves is Deputy Chairman of Equity Trustees Limited and a non-executive director of Pipers Brook Vineyard Pty Ltd and Kambala, a leading Australian girls' school in Sydney. He is also an executive director of a number of private companies. Mr. Groves is a former director of Graincorp Limited, Mason Stewart Publishing, Camelot Resources NL, Tassal Group Ltd and Penrice Soda Holdings Limited, and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.

During the past three years, Mr. Groves has served on the following listed company boards:

- Equity Trustees Ltd (2000 to date);
- Tassal Group Ltd (2007 to 2012); and
- Penrice Soda Holdings Ltd (2010 – 2012).

Mr. Nigel Barry Webb
Non-Executive Director (aged 47)

Mr. Webb was appointed to the board in November 2011. He has over 29 years of operational experience in the underground mining industry, and is the Managing Director of Webb Industries Pty Ltd, a substantial private company providing mining and civil contracting services.

Directors who resigned during the year

Mr. Michael David Botting, BE Mining, M.Aus.IMM
Non-Executive Chairman

Mr Botting is a mining engineer. He joined the board in March 2011, and served as Chairman from August 2011until his resignation on 3 September 2012.

Mr. Kevin John Perrin, CPA
Non-Executive Director

Mr. Perrin is a Certified Practising Accountant. He was appointed to the board in February 2006 and served as Chair of the Company's Audit and Risk Management Committee until his resignation on 3 September 2012.

QUALIFICATIONS AND EXPERIENCE OF THE COMPANY SECRETARIES

Miss Richelle Anne Greenwood, B.Com

Miss Greenwood has a Bachelor of Commerce degree from Charles Sturt University.

She has previously held senior management positions in local government, education and the forest industry for approximately 15 years. Richelle joined BCD in March 2011 as the Manager of Finance and Administration and was appointed Chief Financial Officer in September 2012 and later appointed Joint Company Secretary.
Miss. Greenwood's key responsibilities and experience include capital management, financial analysis, information systems, statutory reporting and corporate administration.

Mr. Brian David Coulter, B.Com, FCPA, ACIS

Mr. Coulter has a Bachelor of Commerce degree from Melbourne University, is a Fellow of CPA Australia and is an Associate of the Institute of Chartered Secretaries and Administrators.

He has worked in the mining industry, both in Australia and overseas, for more than 40 years, including MIM Holdings Limited/Xstrata, Newcrest Mining Limited, Denehurst Limited and CRA Limited and its London based parent at the time, Rio Tinto Zinc Corporation.

Mr. Coulter has extensive experience in all corporate financial and administration areas, including statutory reporting, company secretarial, financial analysis and the evaluation of investment opportunities.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

SHARE OPTIONS

The Company has not granted any options to take up ordinary shares in the capital of the Company during the financial year.

Unissued Shares

As at the date of this report, there were 33,334 (2012: 88,890) unissued shares under option. At the reporting date there were 33,334 unissued shares (2012: 88,890) under option.

Shares issued as a result of the exercise of options

During the financial year no options were exercised.

DIRECTORS' SHAREHOLDINGS

As at the date of this report, the interests of the Directors in the shares of BCD Resources NL were:

	Ordinary shares
C S Carroll	26,135,631
D F Groves	855,558
N B Webb	20,700,952

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year, the number of meetings attended by each Director, and the number of meetings held while they were a Director (or Committee Member) was as follows:

	Directors' Meetings		**Audit and Risk Management Committee**	
	Held	**Attended**	**Held**	**Attended**
Total number of meetings held:	8		2	
Number of meetings attended:				
C S Carroll	8	8	1	-
D F Groves	6	6	1	1
N B Webb	8	8		
M D Botting (resigned 3 September 2012)	2	2	1	1
K J Perrin (resigned 3 September 2012)	2	2	1	1

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit and Risk Management Committee. Members acting on the Audit and Risk Management Committee during the year were:

D F Groves (Chairman)
C S Carroll
K J Perrin (resigned 3 September 2012)
M D Botting (resigned 3 September 2012)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into a Deed of Access, Insurance and Indemnity with each Director of the Company that indemnifies the Director, to the extent permitted by law, against liabilities and legal costs incurred by the Director as an officer of the Company.

The Company maintains a Directors' and Officers' insurance policy that, subject to some exceptions, provides insurance cover to past, present and future Directors, Secretaries and Executive Officers of the Company and its controlled entities. The Company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for Directors and executives of BCD Resources NL ("the Company") and the group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term "executive" encompasses the former Chief Executive Officer, Chief Financial Officer, Joint Company Secretaries and former Tasmania Mine General Manager (refer note 31).

Remuneration Philosophy

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.

To this end, the Company embodies the following principles in its remuneration framework:

- Alignment of shareholders' interests with interests of Directors and executives.
- Engage and retain appropriately qualified and high-calibre executives.
- Portion of executive remuneration may be "at risk", dependent upon meeting pre-determined performance benchmarks.
- Non-Executive Directors may receive part of their remuneration in the form of shares.

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, and the senior executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to performance levels and relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Remuneration and Appointments Committee

The Board provides recommendations and direction for the Company's remuneration practices in the absence of a Remuneration and Appointments Committee. At this stage both the company and the senior executive team are small. The board considers there is no requirement for a formal Remuneration and Appointments Committee.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and senior executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

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

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 14 November 2008 when shareholders approved an aggregate remuneration of $300,000 per year – which only relates to the remuneration paid to the directors for holding their positions of directors of BCD Resources NL.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. As and when appropriate, the Board considers advice from external consultants as well as fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. An additional fee is also paid to the Chairman of the Audit and Risk Management Committee, which recognises the additional time commitment required.

The Constitution provides that any Director who is called upon to perform services for the Company over and above that normally expected of a Non-Executive Director may be paid special remuneration in addition to normal Directors' fees. Approval by the Chairman prior to undertaking such work is required before such special remuneration is paid.

The remuneration of Non-Executive Directors is detailed in the table on page 13.

Senior Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company in order 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.

Structure

In determining and assessing the appropriateness of the level and make-up of executive remuneration, the board consider, on a periodic basis, market levels of remuneration for comparable executive roles.

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
  - ~ Short Term Incentive ("STI"); and
  - ~ Long Term Incentive ("LTI").

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for senior executives by the board. The remuneration of senior executives is detailed in the table on page 14.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the board and the process consists of a review of individual performance and relative comparative remuneration in the market.

Structure

Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and additional employer superannuation contributions. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration – Short Term Incentive ("STI")

Objective

The objective of the STI program is to provide an incentive for senior executives to work together towards achievement of the Company's strategic objectives. The total potential STI available will be set at a level so as to provide sufficient incentive to senior executives to achieve operational targets, and such that the cost to the company is reasonable in the circumstances.

Structure

STI payments granted to senior executives are based on the achievement of personal performance measures, which are determined, reviewed, agreed and assessed annually by the board. The individual performance of each executive will be assessed against their personal performance plan to determine the level of entitlement to a performance bonus. Such payments will normally be in the form of cash bonuses. Due to the small number of staff, the setting of personal performance plans and the assessment against such plans is on an individual basis and depends upon the particular circumstances of the Company and the individual.

Variable Remuneration – Long Term Incentive ("LTI")

Objective

The objective of the LTI plan is to reward senior executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

LTI's are provided to executives in the form of performance rights, which may be converted to fully paid shares immediately upon vesting, at no cost. Vesting is subject to achievement of key performance indicators specified in the service agreement of the relevant executive. Due to the small number of staff the setting of relevant performance criteria and the assessment against such criteria is on an individual basis and depends on the particular circumstances of the Company and the individual.

Service Agreements

R. A. Greenwood - Chief Financial Officer/Joint Company Secretary

Term of agreement – permanent employee commencement 1 March 2011, appointed Chief Financial Officer on 3 September 2012.

The Company may terminate the contract by providing one months' notice and, at the end of the notice period, paying Miss Greenwood three months' salary, other than for gross misconduct. Miss Greenwood may terminate the contract by giving one months' notice.

B. D. Coulter – Joint Company Secretary

On 1 July 2011 Mr. Coulter's permanent employment was terminated following the closure of the Company's Melbourne office. From that date he has been engaged as a casual employee, with work based on the Company's requirements and with a flat all inclusive remuneration rate to compensate for casual loading, annual leave, sick leave and lack of continuity of service.

As a casual employee there is no notice requirement on either side in the event of termination.

Remuneration of Directors and Executives

	Short Term			Post Employ-ment	Share Based Payments			
	Salary & Fees $	Cash Bonus $	Non Monetary Benefits $	Super-annuation (1) $	Perform-ance Rights $	Termin-ation Payments $	Total $	Perform-ance Related Remun-eration (2) %
Directors								
C S Carroll (3)								
2013 - Directors' fees	**67,628**	**-**	**-**	**-**	**-**	**-**	**67,628**	**-**
- Extra Services (4)	**9,000**	**-**	**-**	**-**	**-**	**-**	**9,000**	**-**
D F Groves (5)								
2013 - Directors' fees	**45,872**	**-**	**-**	**4,128**	**-**	**-**	**50,000**	**-**
N B Webb (6)								
2013 - Directors' fees	**55,046**	**-**	**-**	**-**	**-**	**-**	**55,046**	**-**
- Extra Services (4)	**13,500**	**-**	**-**	**-**	**-**	**-**	**13,500**	
2012 - Directors' fees	47,500	-	-	-	-	-	47,500	-
M D Botting (7)								
2013 - Directors' fees	**11,468**	**-**	**-**	**1,032**	**-**	**-**	**12,500**	**-**
2012 - Directors' fees	61,743	-	-	5,557	-	-	67,300	-
K J Perrin (8)								
2013 - Directors' fees	**10,000**	**-**	**-**	**-**	**-**	**-**	**10,000**	**-**
2012 - Directors' fees	56,250	-	-	-	-	-	56,250	-
N K Bergin (9)								
2012 - Directors' fees	6,780	-	-	611	-	-	7,391	-
Sub-total - 2013	**212,514**	**-**	**-**	**5,160**	**-**	**-**	**217,674**	**-**
Sub-total – 2012	172,273	-	-	6,168	-	-	178,441	-

Remuneration of Directors and Executives (continued)

	Short Term			Post Employ-ment	Share Based Payments			
	Salary & Fees	Cash Bonus	Non Monetary Benefits	Super-annuation (4)	Perform-ance Rights	Termin -ation Payments	Total	Perform-ance Related Remun-eration (2)
	$	$	$	$	$	$	$	%
Executives								
R A Greenwood (10)								
2013	**183,333**	**-**	**-**	**13,725**	**-**	**-**	**197,058**	**-**
B D Coulter								
2013	**188,971**	**-**	**-**	**25,000**	**-**	**-**	**213,971**	**-**
2012	303,800	-	-	35,000	-	-	338,800	-
P R Thompson (11)								
2013	**239,150**	**-**	**4,271**	**10,417**	**-**	**-**	**253,838**	**-**
2012	311,187	40,000	5,484	24,999	93,406	-	475,076	28.1
P J Richardson (12)								
2013	**110,700**	**-**	**-**	**-**	**-**	**-**	**110,700**	**-**
2012	290,588	-	-	-	-	-	290,588	-
Sub-total - 2013	**722,154**	**-**	**4,271**	**49,142**	**-**	**-**	**775,567**	**-**
Sub-total - 2012	905,575	40,000	5,484	59,999	93,406	-	1,104,464	-
TOTAL – 2013	**934,668**	**-**	**4,271**	**54,302**	**-**	**-**	**993,241**	**-**
TOTAL – 2012	1,077,848	40,000	5,484	66,167	93,406	-	1,282,905	-

Notes:

(1) The amounts disclosed as "superannuation" represent payments made directly to superannuation funds as required by law and/or as directed by the director or executive.
(2) Represents performance related remuneration as a percentage of total remuneration.
(3) C S Carroll was appointed as a director on 24 July 2012 and appointed Chairman on 3 September 2012. C S Carroll's fees are paid to Eclectic Investments Pty Limited.
(4) The Constitution provides that any Director who is called upon to perform services for the Company over and above that normally expected of a Non-Executive Director may be paid special remuneration in addition to normal Directors' fees. Approval by the Chairman is required before such special remuneration is paid.
(5) D F Groves was appointed as a director on 31 August 2012.
(6) N B Webb's fees are paid to Webb Industries Pty Ltd.
(7) M D Botting was appointed as a director on 1 March 2011 and resigned on 3 September 2012.
(8) K J Perrin's fees were paid to Vinda Pty Ltd. He resigned on 3 September 2012.
(9) N K Bergin was appointed as a director on 18 October 2010 before resigning on 6 November 2010. He was reappointed on 30 November 2010 then resigned again on 24 August 2011.
(10) R A Greenwood was appointed Chief Financial Officer on 3 September 2012. She was appointed Joint Company Secretary on 17 December 2012.
(11) P R Thompson's employment was terminated on 13 November 2012.
(12) P J Richardson resigned on 19 November 2012.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of BCD Resources NL support and, except as disclosed, have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the following section of this annual report.

ENVIRONMENTAL REGULATION

The Consolidated Entity's mining operations and exploration activities are subject to particular and significant environmental regulation. Mining licences and exploration permits are in place at all mining operations and for all exploration activities. These licences and permits set out the environmental requirements for any active tenements or tenements that are under rehabilitation.

The executive management team has operational responsibility for the management and reporting systems that are in place for all of the entity's active and inactive operations and review compliance with State and Federal regulatory requirements for the entity's activities adjacent to the active and inactive operations.

The principal environmental requirements affecting the entity are contained in a Development Proposal and Environmental Management Plan ("DP&EMP") governing operations. Important obligations imposed by the DP&EMP regulate the effects of mine dewatering and water disposal, noise emissions, construction and transport operations, tailings disposal, dangerous goods management, reconciliation of development with surrounding land uses, and the impact on areas of vegetation and regional conservation significance. In addition to these obligations, conditions are set by the Environmental Protection Authority (EPA) for operations in the form of an Environmental Protection Notice (EPN). Further EPN's will be sought and issued for future operations as deemed necessary by the Board.

A Decommissioning and Rehabilitation Plan (DRP) is prepared and approved by the EPA for activities related to rehabilitation. The DRP contains commitments to which the Company must adhere until such time as mining leases are relinquished or as DRP conditions are varied.

Annual environmental reporting includes submission of a National Pollutant Inventory report to the Federal Department of Sustainability, Environment, Water, Population and Communities as a requirement of the *National Environment Protection (National Pollutant Inventory) Measure.* This report details air, land and water based emissions from the site.

Appropriate environmental management systems, with reporting to the BCD Resources executive management team and Board of Directors, are in place to comply with the requirements of these environmental regulations. There were no significant incidents of non-compliance during the financial year.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence declaration as required under section 370C of the *Corporations Act 2001* is attached to this report. During the year, additional accounting advice, other assurance related services and tax compliance and advice services were provided by RSM Bird Cameron Partners (auditor of the Company) – refer note 29 to the consolidated financial statements. The Directors are satisfied that the provision of these services did not impair the auditor's independence as none of these services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A resolution has been passed to approve that Jason Croall a partner of RSM Bird Cameron Partners may continue to play a significant role in the audit of the company for a further 2 years in accordance with section 324DAA of the *Corporations Act 2001.* The eligibility period has been extended until financial year ended 30 June 2015.

The extension of the auditor rotation period has been approved after consideration was given to the significant operational changes (following the closure of the Tasmania Mine) in addition to management changes. Rotating the audit partner at this point of time would reduce audit quality as the company would lose the current audit partner's experience and knowledge of the Company.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100, dated 10 July 1998 (amended by ASIC 05/641) and issued pursuant to section 341(1) of the *Corporations Act 2001*. The Company is an entity to which the Class Order applies.

This report is signed in accordance with a resolution of the Directors.

C S Carroll
Chairman

28 August 2013
Sydney

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of BCD Resources NL for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

J S CROALL
Partner

Melbourne, VIC
Dated: 28 August 2013

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of BCD Resources NL is responsible for the corporate governance of the Consolidated Entity. The Board guides and monitors the business and affairs of BCD Resources NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company aims to comply with the recommendations of the Australian Securities Exchange Corporate Governance Council ("Council") as contained in the "ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations" to the extent that the Board believes they are practical and applicable to the Company. Entities are required to disclose corporate governance principles that they have not adopted and to state the reasons why specific principles have not been adopted. The corporate governance principles and policies of the Company have been structured with reference to the Council's eight essential corporate governance principles.

Relevant principles are described below.

Principle 1: Lay Solid Foundations for Management and Oversight.

The role of the Board is to represent shareholders, provide strategic guidance to and effective oversight of management, foster a culture of good governance, and promote a safe and healthy working environment within the Company.

In performing its role, the Board at all times will endeavour to act:

(i) in a manner designed to create and continue to build sustainable value for shareholders;

(ii) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, employees and, as appropriate, other stakeholders;

(iii) in accordance with the duties and obligations imposed upon Directors by the Company's Constitution and applicable law; and

(iv) with integrity and objectivity, consistent with 'best practice' ethical, professional and related standards.

The Board has delegated responsibility for the operation and administration of the Company to the executive management team. The executive management team is accountable to the Board for the authority that is delegated by the Board.

The Board charter supports all delegations of responsibility by formally defining the specific functions reserved for the Board and its committees, and those matters delegated to management. The specific responsibilities of the Board are described in the Board charter which will be found on the Company's website: www.bcdresources.com.au.

Principle 2: Structure the Board to Add Value.

The Board has established an Audit and Risk Management Committee to facilitate the execution of its responsibilities. The Committee reports its deliberations to the following month's Board meeting. It assists and advises the Board in discharging its responsibilities in relation to financial reporting, financial risk management, evaluating the effectiveness of the financial control environment and oversight of the external audit function. As the Board comprises only three directors the Company considers it appropriate to have two members on the Audit and Risk Management Committee rather than three as recommended by the ASX Corporate Governance Recommendations.

Details of the number of meetings of the Board and Committee during the year, and each Director's attendance at those meetings, are set out on page 8 of this report.

Board Composition

BCD Resources' Board currently comprises three Non-Executive Directors.

The nomination of all new Directors is considered by the full Board. The Board assesses the nominees against a range of specific criteria, including their experience, professional skills, potential conflicts of interest, the requirement for independence and the existing collective skill sets of the Board.

At this stage both the board and the company are small. The board considers there is no requirement for a formal Nominations Committee. The Company will consider more board positions when it moves to a more substantial stage of growth.

Details of each Director's skills, experience and relevant expertise are set out on page 6.

Independence.

It has been Board policy that a majority of Non-Executive Directors, including the Chairman, should be independent and free of any relationship that may conflict with the interests of the Company. However, in the Company's present transition stage following completion of mining operations at the Tasmania Mine a small board is deemed appropriate, and a majority of independent directors is regarded as non-essential. Mr Groves is independent. Mr Carroll and Mr Webb are regarded as not being independent only because of their shareholdings in the Company. In the unanimous opinion of the Board both Mr Carroll and Mr Webb act at all times in the best interests of all shareholders. The Board defines 'independence' in accordance with the ASX Recommendations.

In order to ensure that any interest of a Director in a matter to be considered by the Board is known, each Director has contracted with the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they have or may have a conflict of interest.

Independent professional advice and access to Company information

Directors have right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent advice from a suitably qualified adviser at BCD Resources' expense.

Principle 3: Promote Ethical and Responsible Decision Making.

The Board and the Company's employees are expected to uphold the highest levels of integrity and professional behaviour in their relationships with all the Company's stakeholders. Below is a summary of BCD Resources' core codes and policies that apply to Directors and employees.

Code of Conduct

The Code of Conduct sets ethical and governance standards for directors and senior management reporting to the Board of Directors. The Code requires Directors and senior management to pursue the highest standards of ethical conduct in the interests of shareholders and others with an interest in the Company and seek to conform to the Best Practice Recommendations of the ASX Corporate Governance Council.

Code of Ethics

The Code of Ethics commits all Company employees to the highest standards of ethical behaviour and honesty and with full regard for the safety and health of its employees, customers, the wider community and the environment.

Trading in BCD Resources shares

To safeguard against insider trading, the Company's Share Trading Policy prohibits Directors and employees from trading BCD Resources securities if they are aware of any information that would be expected to have a material effect on the price of Company securities.

The Company discloses to the ASX any transaction conducted by the Directors in BCD Resources securities, in accordance with ASX Listing Rules.

Diversity

The Company and all its related bodies corporate are 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.

At this stage both the company and the Board are small. The Company will consider more Board and senior positions when it moves to a more substantial stage of growth. Board and senior positions will be open to the best and most suitable people regardless of gender, colour and religion or otherwise at that time.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Diversity Policy provides a framework for the Company to achieve:

a) A diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
b) A workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
c) Improved employment and career development opportunities for women;
d) A work environment that values and utilises the contribution of employees with diverse background, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
e) Awareness in all staff of their rights and responsibilities with regard to fairness, equity and respect for all aspects of diversity.

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board. The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary. The Chairman will monitor the scope and currency of this policy. The Company is responsible for implementing, monitoring and reporting its objectives.

At the date of this report the company has not established diversity targets. The percentage of women on the board is 0%; the percentage of women in senior management positions is 50%; and the percentage of women in the entire organisation is 23%.

Principle 4: Safeguard Integrity in Financial Reporting.

The Chief Financial Officer has declared in writing to the Board that the financial records of the Company for the financial year have been properly maintained and present a true and fair view of the Company's financial condition and operating results, in accordance with the Corporations Act and the relevant accounting standards. The Audit and Risk Management Committee is governed by its own Charter, which is available on the Company's website: www.bcdresources.com.au.

Principle 5: Make Timely and Balanced Disclosure.

The Company seeks to provide relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules.

The Board has implemented a Continuous Disclosure Policy to ensure that information considered material by the Company is immediately lodged with the ASX. Other relevant information, including Company presentations and updates by senior management, is also disclosed to the ASX.

Principle 6: Respect the Rights of Shareholders.

The Board, in adopting a Continuous Disclosure Policy, ensures that shareholders are provided with up-to-date Company information. Communication to shareholders is facilitated by the publication of the Annual Report, Half Year Report, Quarterly Reports, other announcements and the posting of ASX releases on BCD Resources NL's website immediately after their disclosure on the ASX. In addition, all shareholders are encouraged to attend the Annual General Meeting of shareholders and use the opportunity to ask questions. The external auditor attends the meeting and is available to answer questions on the Financial Report.

Principle 7: Recognise and Manage Risk.

The Board believes that risk management and compliance are fundamental to sound management and that overseeing such matters is an important responsibility of the Board.

The Company has in place reporting and control mechanisms, which are designed to ensure that strategic, operational, legal, reputational and financial risks and opportunities are identified, assessed and managed.

The reporting and control mechanisms support the annual written certification given by the Chief Financial Officer to the Board that the Company's financial reports are based on a sound system of risk management and internal control.

Principle 8: Remunerate Fairly and Responsibly.

Board remuneration

The total annual remuneration paid to Non-Executive Directors may not exceed the limit set by the shareholders at the Annual General Meeting (currently $300,000). The remuneration of the Non-Executive Directors is fixed rather than variable.

Executive remuneration

The Board provides recommendations and direction for the Company's remuneration practices. At this stage both the company and the senior executive team are small. The board considers there is no requirement for a formal Remuneration and Appointments Committee. The Company will consider establishment of a Remuneration and Appointments Committee when it has more senior executives. The directors ensure that, where appropriate, a proportion of senior manager remuneration is linked to individual performance and the Company's performance. Performance reviews are conducted at least annually to determine remuneration level and the proportion of remuneration, if any, that will be 'at risk' for the upcoming year.

Further details in relation to Director and executive remuneration are set out in the Remuneration Report on pages 9 to 14.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2013

	Notes	CONSOLIDATED 2013 $'000	2012 $'000
Revenue		**12,689**	72,970
Production costs	5(a)	**(13,232)**	(46,086)
GROSS PROFIT FROM OPERATIONS		**(543)**	26,884
Corporate expenses	5(b)	**(1,300)**	(2,075)
Exploration expenditure written off	13	**(3,305)**	(2,014)
Depreciation and amortisation	5(c)	**(4,842)**	(29,450)
OPERATING LOSS BEFORE OTHER INCOME AND EXPENSES		**(9,990)**	(6,655)
Other income	5(d)	**2,462**	4,570
Other expenses	5(e)	**(1,272)**	(208)
Diminution of Goodwill		**-**	(1,891)
OPERATING LOSS BEFORE FINANCIAL INCOME AND EXPENSES		**(8,800)**	(4,184)
Financial income	5(f)	**195**	194
Financial expenses	5(f)	**(12)**	(2,562)
LOSS BEFORE TAX		**(8,617)**	(6,552)
Income tax expense	6	**-**	(3,523)
NET LOSS AFTER TAX		**(8,617)**	(10,075)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(8,617)**	(10,075)
Attributable to:			
Members of the parent entity		**(7,827)**	(9,870)
Non-controlling interests	22	**(790)**	(205)
		(8,617)	(10,075)
EARNINGS PER SHARE (EPS)(cents)			
Basic EPS attributable to members of the parent entity	26	**(6.70)**	(8.56)**
Diluted EPS attributable to members of the parent entity	26	**(6.70)**	(8.56)**
Dividend per share (cents)		**Nil**	Nil

**June 2012 comparatives have been restated to reflect share consolidation (refer note 20).

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

BCD RESOURCES NL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	CONSOLIDATED 2013 $'000	2012 $'000
ASSETS			
Current Assets			
Cash	30(b)	**1,158**	9,224
Trade & other receivables	7	**3,179**	2,957
Prepayments		**164**	295
Inventories	8	**781**	4,890
Total Current Assets		**5,282**	17,366
Non-Current Assets			
Cash	30(b)	**1,592**	-
Property, plant & equipment	12	**3,947**	7,184
Exploration, evaluation & development	13	**683**	6,353
Other	14	**382**	492
Total Non-Current Assets		**6,604**	14,029
TOTAL ASSETS		**11,886**	31,395
LIABILITIES			
Current Liabilities			
Trade & other payables	15	**886**	4,008
Interest-bearing loans & borrowings	16	**28**	103
Provisions	17	**1,328**	10,703
Other	18	**-**	61
Total Current Liabilities		**2,242**	14,875
Non-Current Liabilities			
Interest-bearing loans & borrowings	19	**86**	-
Provisions	17	**1,933**	278
Total Non-Current Liabilities		**2,019**	278
TOTAL LIABILITIES		**4,261**	15,153
NET ASSETS		**7,625**	16,242
EQUITY			
Share capital	20	**151,382**	151,382
Accumulated losses		**(139,109)**	(136,626)
Reserves	21	**-**	5,344
Parent entity interest		**12,273**	20,100
Non-controlling interest	22	**(4,648)**	(3,858)
TOTAL EQUITY		**7,625**	16,242

The above statement of financial position should be read in conjunction with the accompanying notes.

BCD RESOURCES NL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2013

	Notes	CONSOLIDATED	
		2013	2012
		$'000	$'000
Cash Flows from Operating Activities			
Receipts from gold and silver sales and other operating revenue		**12,974**	72,086
Payments to suppliers and employees		**(15,217)**	(49,898)
Payments for rehabilitation		**(5,861)**	(1,067)
Net Cash Flows from/(used in) Operating Activities	30(a)	**(8,104)**	21,121
Cash Flows from Investing Activities			
Interest received		**195**	195
Proceeds from sale of fixed assets		**3,357**	360
Proceeds from sale of exploration assets		**1,000**	-
Costs incurred on the sale of exploration assets		**(487)**	-
Purchase of plant & equipment		**(1,521)**	(502)
Development expenditure		**(683)**	(597)
Net Cash Flows from/(used in) Investing Activities		**1,861**	(544)
Cash Flows from Financing Activities			
Repayment of convertible notes		**-**	(12,330)
Payment for cancelled partly-paid shares		**-**	(33)
Payment of share and note issue costs		**-**	(7)
Interest paid and borrowing costs		**(5)**	(2,327)
Repayment of lease principal		**(118)**	(1,174)
Repayment of indemnity for BCD Resources (Operations) Group relating to pre-acquisition activities		**(108)**	(564)
Net Cash Flows used in Financing Activities		**(231)**	(16,435)
Net Increase/(Decrease) in Cash		**(6,474)**	4,142
Cash at Beginning of the Financial Period		**9,224**	5,082
Cash at End of the Financial Period	30(b)	**2,750**	9,224

The above statement of cash flows should be read in conjunction with the accompanying notes.

BCD RESOURCES NL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2013

	Issued Capital $'000	Accumulated Losses $'000	Other Reserves $'000	Parent Entity Interest $'000	Non-controlling Interest $'000	Total Equity $'000
As at 1 July 2011	150,420	(128,800)	7,388	29,008	(3,653)	25,355
Loss for the year	-	(9,870)	-	(9,870)	(205)	(10,075)
Total income and expenses for the year	-	(9,870)	-	(9,870)	(205)	(10,075)
Equity Transactions:						
Issue of share capital	1,000	-	-	1,000	-	1,000
Transaction costs **	(5)	-	-	(5)	-	(5)
Partly – paid shares cancelled	(33)	-	-	(33)	-	(33)
Transfer of reserves to accumulated losses	-	2,044	(2,044)	-	-	-
As at 30 June 2012	**151,382**	**(136,626)**	**5,344**	**20,100**	**(3,858)**	**16,242**
Loss for the year	**-**	**(7,827)**	**-**	**(7,827)**	**(790)**	**(8,617)**
Total income and expenses for the year	**-**	**(7,827)**	**-**	**(7,827)**	**(790)**	**(8,617)**
Equity Transactions:						
Transfer of reserves to accumulated losses	**-**	**5,344**	**(5,344)**	**-**	**-**	**-**
As at 30 June 2013	**151,382**	**(139,109)**	**-**	**12,273**	**(4,648)**	**(7,625)**

** This amount has been tax-effected

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

1. CORPORATE INFORMATION

The financial report of BCD Resources NL ("the Company") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 28 August 2013.

BCD Resources NL is a no liability company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The registered office of BCD Resources NL is 1 Rifle Range Road, Beaconsfield, Tasmania, 7270, Australia. The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian interpretations) as issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial report has been prepared on a historical cost basis.

Comparative information, where necessary, has been reclassified in order to achieve consistency in presentation with amounts disclosed in the current year.

All amounts presented in the Financial Report have been rounded to the nearest thousand Australian dollars ($'000) unless otherwise stated.

(b) Compliance with IFRS

The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations

New Accounting Standards and Interpretations issued but not yet effective and not adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. Management assesses the impact of these new standards, their applicability to the Company and whether to adopt early.

As at 30 June 2013, the following applicable standards and interpretations had been issued but are not yet effective for financial year ending 30 June 2013. The Company has not adopted these standards early.

Other than changes to disclosure formats, it is not expected that the initial application of these new standards in the future will have any material impact on the financial report.

Reference	Title	Summary	Application date for company
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015
2009-11	*Amendments to Australian Accounting Standards arising from AASB 9*	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015
2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010.	1 January 2015
AASB 10	*Consolidated Financial Statements*	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	*Joint Arrangements*	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have in interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	*Disclosure of Interests in Other Entities*	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 127	*Separate Financial Statements*	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	*Investments in Associates and Joint Ventures*	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
2011-7	*Amendments to Australian Accounting Standards arising from AASB 10,11,12,127,128*	Amends AASB 1,2,3,5,7,9,2009-11,101,107,112,118,121,124,132,133, 136,138,139,1023 & 1038 and Interpretations 5,9,16 & 17 as a result of the issuance of AASB 10, 11, 12, 127 and 128	1 January 2013
AASB 13	*Fair Value Measurement*	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013
2011-8	*Amendments to Australian Accounting Standards arising from AASB 13*	Amends AASB 1, 2, 3, 4, 5, 7, 9, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132 as a result of issuance of AASB 13 *Fair Value Measurement*.	1 January 2013
AASB 119	*Employee Benefits*	The amendments to this Standard eliminates the option for defined benefit plans to use the corridor approach to defer the recognition of actuarial gains and losses and introduce enhanced disclosures about defined benefit plans. The amendments also incorporate changes to the accounting for termination benefits.	1 January 2013
2011-10	*Amendments to Australian Accounting Standards arising from AASB 119*	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 & Interpretation 14 as a result of the issuance of AASB 119 *Employee Benefits*.	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2011-4	*Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	This Standard amends AASB 124 *Related Party Disclosures* to remove all the individual key management personnel (KMP) disclosures contained in Aus paragraphs 29.1 to 29.9.3.	1 July 2013

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of BCD Resources NL and its subsidiaries (as outlined in note 10) as at 30 June each year (the "Consolidated Entity" or "Group").

Subsidiaries are all those entities over which the Consolidated Entity has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiary entities are recorded in the financial statements of the Company at the lower of cost and recoverable amount.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition (see note 2 (z)).

Non-controlling interests (refer note 22) not held by the Consolidated Entity are allocated their share of net profit/(loss) after tax in the income statement and are presented within equity in the statement of financial position, separately from parent shareholders' equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

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

Gold & silver sales

Significant risks and rewards of goods have passed to the buyer and transaction costs can be reliably measured. Risks and rewards of ownership are considered passed to the buyer when the goods are collected.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

(f) Leases

Finance leases, which transfer to the Consolidated Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(g) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade and other receivables are recognised and carried at amount due less an allowance for any uncollectible amount.

An allowance for uncollectible amounts is made where there is objective evidence that the Consolidated Entity will not be able to collect debts. Bad debts are written off when identified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each item to its present location and condition are accounted for as follows:

– raw materials – purchase cost on a first-in first-out basis; and

– work in progress (including stockpile of unprocessed ore and gold in circuit) – cost of direct material and labour and a proportion of overheads based on normal operating capacity.

No account is taken of any gold residue residing in plant and equipment (e.g. pumps).

(j) Impairment of financial assets

The Consolidated Entity assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because fair value cannot be reliably measured) the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Joint ventures

Where the Consolidated Entity's activities are conducted through unincorporated joint ventures that are jointly controlled assets, its proportionate share of the assets, liabilities, gold production and related operating costs are included in the financial statements. Details of the Consolidated Entity's interests in Jointly Controlled Assets are shown in note 11.

(l) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet 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 where the deferred income tax liability 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; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences 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 assets and unused tax losses can be utilised:

– except where 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; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 utilised.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Other taxes

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

– where 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 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 balance sheet.

Cash flows are included in the Cash Flow Statement 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.

(n) Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Any gain or loss on the disposal of assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the result of the Company or the Consolidated Entity in the year of disposal.

Depreciation is provided for over the life of the area of interest on a production output basis.

Refer note 2 (q) for the accounting policy relating to the impairment of non-financial assets.

(o) Exploration, evaluation & development expenditure

Costs carried forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Amortisation

Costs on productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Rehabilitation, restoration and environmental costs

Long-term environmental obligations are based on the Consolidated Entity's environmental management plans, in compliance with current environmental and regulatory requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Exploration, evaluation & development expenditure (continued)

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining life of the mine. These increases are accounted for on a net present value basis.

Annual increases in the provision relating to the change in the net present value of the provision and inflationary increases are accounted for in earnings.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets on closure. Cost estimates have been reduced where it is reasonably expected that key pieces of equipment may be gifted to third parties and may therefore not need to be dismantled at the cost of the Company.

(p) Investments and other financial assets

Financial assets in the scope of AASB 139: Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Consolidated Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Consolidated Entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income statement.

*(ii) Held-to-*maturity *investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Investments and other financial assets (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

*(iv) Available-for-*sale *investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(q) Impairment of non-financial assets

The Consolidated Entity 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 Consolidated Entity 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 groups 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 assets 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 impaired 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 an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Impairment of non-financial assets (continued)

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 the income statement 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.

(r) Trade and other payables

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

(s) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs (which include any establishment fees paid or other benefits provided e.g. via issue of options). After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid and other benefits provided on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Convertible notes issued are considered to have a liability component and an equity component, with the liability component representing the issuer's obligation to pay interest and potentially to redeem the bond in cash, and the equity component representing the holder's right to call for shares of the issuer. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent debt instrument without the conversion feature, and this amount is carried as a financial liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Interest charged on the liability component of the instrument is recognised as a finance cost in the income statement.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Non-interest-bearing borrowings

All borrowings are initially recognised at the fair value of consideration received.

A specified amount of advances made to BCD Resources (Operations) NL by its banker under the terms of an indemnity agreement has a repayment schedule based on a dollar amount per ounce of gold production from the Tasmania Mine. Production-based repayments are recognised at fair value, but only to the extent that they are supported by recoverable mine reserves. Repayments that will not be made based on current reserves are not recognised, but instead are disclosed as contingent liabilities. Repayments have now ceased due to the cessation of production at the Tasmania Mine.

(u) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Parent Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of tax.

(v) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefits, expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types of employee benefits are recognised in the income statement on a net basis in their respective categories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Share-based payment transactions

The Consolidated Entity may provide benefits to employees (including key management personnel) of the Consolidated Entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

Long term incentives may be provided to executives in the form of performance rights, which are convertible to fully paid shares immediately upon vesting, at no cost. Vesting is subject to achievement of key performance indicators specified in the service agreement of the relevant executive.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using either a binomial or Black-Scholes model.

In valuing equity-settled transactions, performance conditions and conditions linked to the price of the shares of BCD Resources NL are taken into account (‘market conditions’).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

(x) Earnings per share

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

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

– costs of servicing equity (other than 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;

dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. Where the basic EPS is a loss per share, dilution will only occur where the potential dilutive shares would increase the loss per share.

(y) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Business Combinations

The purchase method is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. For acquisitions that occurred prior to 1 July 2007, cost was measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Due to the early adoption of the provisions of AASB 3 Business Combinations (revised) from 1 July 2007, for any combinations undertaken subsequent to 1 July 2007, costs directly attributable to such a combination would be expensed when incurred.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

In addition, as a result of adopting these revised standards, subsequent changes in BCD Resources NL's controlling ownership interest (as the parent entity) that do not result in a loss of control of BCD Resources (Operations), as the subsidiary, are accounted for as equity transactions with the owners acting in their capacity as owners and therefore do not give rise to gains or losses.

Carrying amounts of controlling and non-controlling interests (previously referred to as "minority interests") are adjusted to reflect the change in respective ownership interests.

To the extent that the consideration paid for the increase in the controlling interest exceeds the carrying value of the relevant non-controlling interest acquired, it is recognised directly in equity attributable to the controlling interest i.e. BCD Resources NL. Previously such an adjustment would have been recognised directly against goodwill.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Going Concern

The financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity recorded an operating loss after income tax of $8.617 million and had net cash outflows from operating activities of $8.104 million for the year ended 30 June 2013. As at that date the Consolidated Entity had a surplus of current assets over current liabilities of $3.040 million.

The Consolidated Entity has a rehabilitation commitment for the decommissioning of the Tasmania Mine of $3.261 of which $1.328 million is current.

The Company's present strategic view indicates strong cash flows arising from mining the Stormont and Lorena Joint Venture projects.

The Directors believe that it is reasonably foreseeable that the Company and Consolidated Entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:-

(i) Projected cash flows from the Company's Joint Venture at Stormont, and subsequent metallurgical test work, indicates that the gold is free-milling and that high recoveries should be achieved from Carbon-In-Leach (CIL) processing.

(ii) Projected cash flows from the Company's Joint Venture at Lorena. In addition there is potential: to extend the resource at depth; for new resources from surrounding prospects; and the toll treatment of third party ores.

(iii) The Company's ability to delay or fast track the joint venture projects depending on the cash holdings and financing options available at any given time.

(iv) Future cash flows from the Victorian asset sale of $1.8 million which was settled in March 2013.

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all its financial commitments as and when they fall due; and
- maintain the capacity to fund its forecast exploration strategy,

with the longer term objective of paying a reasonable dividend to shareholders.

The Group continually monitors and tests its forecast financial position against these criteria.

Liquidity, credit and market risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of the Group's business. The Group is also exposed to equity price risk from various investment decisions taken from time to time. These risks are managed under Board approved policies and processes. The Group's principal financial instruments comprise interest-bearing and non-interest-bearing debt, finance leases, cash and short term deposits. Other financial instruments include trade and other receivables and trade and other payables, which arise directly from operations.

From time to time, derivative financial instruments may be used to hedge exposure to fluctuations in commodity prices.

The Group's forecast financial risk position with respect to key financial objectives is considered regularly by the Board.

The following table discloses the carrying amounts of each class of financial asset and financial liability at year end.

	CONSOLIDATED	
	2013	2012
	$'000	$'000
Financial Assets		
Cash (see note 30 b)	**2,750**	9,224
Trade & other receivables	**3,179**	2,957
Other	**382**	492
Financial Liabilities		
Trade & other payables	**886**	4,008
Interest-bearing loans and borrowings	**114**	103

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

(i) *Foreign exchange risk*

The Group has no direct exposure to foreign exchange risk as it does not operate internationally nor does it have any foreign currency denominated financial instruments.

Indirect exposure to foreign exchange risk arises from the impact of the US dollar exchange rate on the Australian dollar gold price. The Group's gold sales are denominated in Australian dollars.

(ii) *Commodity price risk*

The Group's revenues are exposed to fluctuations in the Australian dollar gold price, which is determined by the combination of the US dollar gold price and the US dollar exchange rate.

From time to time, as part of the process of managing its exposure to movements in commodity prices, the Group may enter into forward sales contracts that guarantee a minimum sale price for gold.

At 30 June 2013 the company was unhedged. At the date of this report the company has 2,000 ounces hedged at $1,400.55 per ounce.

(iii) *Interest rate risk*

The Group is exposed to interest rate risk as it borrows and/or invests funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings which is evaluated to align with interest rate views and defined risk appetite. Details of the Group's types and levels of debt are included in notes 16 and 19.

At 30 June 2013 the Group's only interest bearing debt is finance leases, which are at fixed interest rates.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

Interest rate exposure

The Group's interest rate exposure at balance date is summarised as follows:

Consolidated	**2013**			**2012**		
	Weighted average interest rate %	**Floating interest $'000**	**Fixed interest $'000**	**Weighted average interest rate %**	**Floating interest $'000**	**Fixed interest $'000**
Financial Assets						
Cash	**3.8**	**2,750**	**-**	4.3	9,224	-
Security deposits	**2.8**	**382**	**-**	4.0	360	-
Total Assets		**3,132**	**-**		9,584	-
Financial Liabilities						
Lease commitments	**7.9**	**-**	**114**	9.2	-	103
Total liabilities		**-**	**114**		-	103
Net exposure		**3,132**	**(114)**		9,584	(103)

The other financial instruments of the Group are not included in the above table as they are non-interest bearing and not subject to interest rate risk.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2013, if interest rates changed by +/- 1%, with all other variables held constant, the estimated impact on post-tax loss and equity would have been:

	CONSOLIDATED	
	2013 $'000	2012 $'000
Impact on post-tax result:(Higher)/Lower		
Interest rates + 1%	**31**	96
Interest rates – 1%	**(31)**	(96)
Impact on equity: Higher/(Lower)		
Interest rates + 1%	**31**	96
Interest rates – 1%	**(31)**	(96)

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner.

The management team continually reviews the Group's liquidity position, including cash flow projections based upon the current life of mine plan, to determine the forecast liquidity position and maintain appropriate liquidity levels. Where necessary, adjustments to future cash flow requirements can be made to ensure sufficient liquidity is maintained. The Group has no financing facilities at its disposal to manage risk (refer note 30).

The following table analyses the contractual fixed repayments and interest resulting from recognised financial liabilities, disclosed by financial maturity groupings based on the remaining period at the reporting date to the contractual maturity date. For all obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

Consolidated	Less than 3 months $'000	3-6 months $'000	6-12 months $'000	1-2 years $'000	More than 2 years $'000
2013					
Trade payables	251	-	-	-	-
Sundry creditors and accruals	252	-	-	-	-
Lease liabilities	7	7	14	86	-
	510	7	14	86	-
2012					
Trade payables	2,951	-	-	-	-
Sundry creditors and accruals	528	-	-	-	-
Other payables	108	36	-	-	-
Lease liabilities	107	-	-	-	-
	3,694	36	-	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables, and represents the potential financial loss if counterparties fail to perform as contracted with a maximum exposure equal to the carrying amount of these financial assets as recorded in the financial statements.

It is the Group's policy that all customers who wish to trade on credit terms and providers of capital or financial counter parties are subject to a credit risk analysis including assessment of credit rating, short term liquidity and financial position.

The Group controls credit risk by:-

- maintaining cash and deposits only with reputable major Australian banks; and
- delivering all gold produced, from all sources, to a major gold refinery.

Gold deliveries are generally made weekly or fortnightly, and maximum credit exposure is eight days.

The majority of receivables, other than gold sale receivables, relate to GST refunds due from the Australian Taxation Office. These are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There were no impairments of receivables as at 30 June 2013 or 30 June 2012 for the Group.

(e) Fair value

The methods for estimating fair value are outlined in each of the relevant notes to the financial statements and unless indicated, carrying value approximates fair value.

(f) Capital management

The Group's objectives when managing capital are to maintain a strong capital base capable of withstanding cash flow variability, whilst providing the flexibility to pursue its growth aspirations. The Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns.

Equity Issues

The Group is not subject to any externally imposed capital requirements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

a) Mine rehabilitation provision

The Consolidated Entity assesses its mine rehabilitation yearly in accordance with the accounting policy note stated in note 2(o). A Decommissioning and Rehabilitation Plan (DRP) has been prepared and waiting approval by the EPA for activities related to closure of the Tasmania Mine. The DRP contains commitments that must be adhered to until such time as the mining lease is relinquished. The provision for mine rehabilitation at 30 June 2013 reflects the requirements of the DRP after making allowance for rehabilitation work completed in 30 June 2013. There will be a requirement for ongoing environmental monitoring post rehabilitation works.

b) Unit-of-production method of depreciation

The Consolidated Entity uses the unit-of-production basis when depreciating life of mine specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the property at which it is located. These calculations require the use of estimates and assumptions.

c) Impairment of non-financial assets

The Consolidated Entity reviews all assets half-yearly to determine whether there is any indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy note 2(q). The value in use calculations require the use of estimates and assumptions such as discount rates, commodity prices, future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flows). In assessing value in use, the estimated future cash flows are discounted to their present value using asset-specific pre-tax discount rates.

d) Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined using a binomial or Black-Scholes valuation model.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

e) Capitalisation of exploration and evaluation costs

The Consolidated Entity's accounting policy for exploration and evaluation is set out in note 2(o). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

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	CONSOLIDATED	
	2013	2012
	$'000	$'000
5. REVENUES AND EXPENSES		
Result before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Consolidated Entity		
(a) PRODUCTION COSTS		
Operating expenses		
Materials, wages and other	**9,083**	43,948
Superannuation	**348**	689
Government royalties	**305**	1,164
Changes in redundancy provision	**(306)**	2,118
Changes in inventories	**3,802**	(1,833)
	13,232	46,086
(b) CORPORATE EXPENSES		
Administration	**1,096**	1,831
Superannuation	**6**	37
Legal fees	**192**	136
Operating lease payments	**6**	71
	1,300	2,075
(c) DEPRECIATION AND AMORTISATION		
Depreciation		
Buildings	**70**	265
Mining plant and equipment	**3,416**	15,313
Plant and equipment under lease	**446**	1,655
	3,932	17,233
Amortisation		
Exploration, evaluation and development costs	**910**	12,217
	910	12,217
	4,842	29,450
(d) OTHER INCOME		
Profit on sale of fixed assets	**1,190**	1,186
Release of deferred income – government grant	**61**	1,004
Adjustment to pre-acquisition indemnities	**36**	42
Write back to Provision for rehabilitation	**-**	2,186
Sale of hedged gold – not bullion	**889**	-
Other	**286**	152
	2,462	4,570

		CONSOLIDATED	
		2013	2012
		$'000	$'000
5.	**REVENUES AND EXPENSES (continued)**		
(e)	**OTHER EXPENSES**		
	Increase in provision for rehabilitation	**1,272**	-
	Fair value adjustment convertible notes	**-**	208
		1,272	208
(f)	**FINANCIAL INCOME AND EXPENSES**		
	Financial income		
	Interest income	**195**	194
		195	194
	Financial expenses		
	Interest expenses	**4**	1,665
	Borrowing expenses	**1**	-
	Finance lease charges	**7**	67
	Unwind of discount on rehabilitation provision	**-**	820
	Unwind of discount on pre-acquisition indemnities	**-**	10
		12	2,562

	CONSOLIDATED	
	2013 **$'000**	2012 $'000
6. INCOME TAX		
The major components of income tax expense are:		
Current income tax expense	**-**	3,523
Deferred income tax	**-**	-
Income tax benefit as reported in the statement of comprehensive income	**-**	3,523
Income tax as reported in equity	**-**	-
A reconciliation between tax benefit and the product of accounting loss before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:		
Accounting loss before income tax	**(8,617)**	(6,552)
Prima facie income tax benefit calculated at 30% (2012 – 30%)	**(2,585)**	(1,966)
Non-deductible items	**-**	62
Diminution of goodwill	**-**	567
Share transaction costs deducted	**-**	(2)
Pre-acquisition indemnities reduction	**(11)**	(19)
Deferred tax assets not recognised	**2,596**	1,360
Deferred tax assets reversed	**-**	3,521
Income tax expense	**-**	3,523

6. INCOME TAX (continued)

	CONSOLIDATED	
	2013	2012
	$'000	$'000
Tax Losses		
Revenue Losses		
Deferred tax assets for unused revenue losses and temporary differences not recognised		
- BCD Resources	**19,167**	19,127
- BCD Resources (Operations)	**25,515**	23,693
	44,682	42,820
Capital Losses		
Deferred tax assets for unused capital losses not recognised		
- BCD Resources	**323**	205
- BCD Resources (Operations)	**22,132**	22,132
	22,455	22,337

No deferred tax asset is recognised on the balance sheet for the above capital losses. The capital losses arose in Australia and are available indefinitely for offset against future capital gains of a similar nature subject to continuing to meet relevant statutory tests.

Tax Consolidation

The Consolidated Entity is not consolidated for the purposes of income taxation.

	CONSOLIDATED	
	2013	**2012**
	$'000	**$'000**
7. TRADE AND OTHER RECEIVABLES		
Current (i)		
Joint venture receivables (ii)	**92**	1,847
Gold bullion awaiting settlement (iii)	**398**	1,097
Other (iv)	**2,689**	13
	3,179	2,957

(i) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.

None of these trade and other receivables are past due or considered impaired.

(ii) Joint venture receivables are generally collected on 30-90 day term and is non-interest bearing.

(iii) Balance of proceeds from gold shipments in June was received in July for 2012 and 2013.

(iv) Balance of proceeds due from the sale of Victorian Copper tenements in the 2013 financial year $1.8 million and sale of hedged gold $0.889 million.

8. INVENTORIES		
Supply inventories at cost	**781**	1,088
Gold in circuit at cost	**-**	3,802
	781	4,890

9. PARENT ENTITY

BCD Resources NL is the Parent Entity of the Consolidated Entity.

At 30 June 2013 BCD Resources NL and BCD Operations Pty Ltd were parties to a Deed of Cross Guarantee under which each company guaranteed the debts of the others. The Deed of Cross Guarantee continues in respect of BCD Resources NL and BCD Operations Pty Ltd, with each company continuing to guarantee the debts of the other.

Details of contingent assets and liabilities of the Parent Entity are contained in note 24. The Parent Entity has expenditure commitments as summarised in note 23.

Summarised financial information in respect of the Parent Entity is set out below.

	Parent Entity	
	2013	2012
	$'000	$'000
Assets & Liabilities		
Current assets	**3,266**	8,495
Non-current assets	**7,301**	13,008
Total assets	**10,567**	21,503
Current liabilities	**1,252**	3,250
Non-current liabilities	**402**	110
Total liabilities	**1,654**	3,360
Net assets	**8,913**	18,143
Shareholders' equity		
Issued capital	**151,382**	151,382
Accumulated losses	**(142,469)**	(133,239)
Total equity	**8,913**	18,143

	Year ended 30 June 2013 $'000	Year ended 30 June 2012 $'000
Loss for the year	**(9,230)**	(15,011)
Total comprehensive income for the year	**(9,230)**	(15,011)

10. INTEREST IN SUBSIDIARIES

	Country of Incorporation	Class of shares	% Held by BCD Resources NL (based on shares on issue)		Investment carrying value	
			2013	2012	**2013**	2012
			%	%	**$'000**	$'000
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in note 2(d).						
BCD Resources (Operations) NL	Australia	Ordinary	88.82[(a)]	88.82[(a)]	-	-
BCD Metals Pty. Ltd.	Australia	Ordinary	100.00[(c)]	100.00[(c)]	-	-
BCD Operations Pty. Ltd.	Australia	Ordinary	100.00[(b)]	100.00[(b)]	-	-
BCD Tasmania Pty. Ltd.	Australia	Ordinary	100.00[(c)]	100.00[(c)]	-	-
Eagle Copper Ltd.	Australia	Ordinary	- [(e)]	100.00[(d)]	-	-
APPL Pty. Ltd.	Australia	Ordinary	88.82[(b)]	88.82[(b)]	-	-
ACN 070 164 653 Pty. Ltd.	Australia	Ordinary	88.82[(c)]	88.82[(c)]	-	-
Mojixi Pty. Ltd.	Australia	Ordinary	- [(e)]	88.82[(c)]	-	-

(a) BCD Resources (Operations) NL is an unlisted public company and is required to lodge audited consolidated financial reports for the BCD Resources (Operations) NL consolidated group as at 30 June 2013. NOTE: BCD Resources NL owns 90.06% of the voting rights of BCD Resources (Operations) NL.

(b) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(c) These subsidiaries do not require audited financial reports for the current year as they are small proprietary limited companies.

(d) For the 2012 year Eagle Copper Ltd was required to lodge an audited financial report.

(e) Eagle Copper Ltd and Mojixi Pty. Ltd. were de-registered on 24 March 2013.

	CONSOLIDATED	
	2013	2012
	$'000	$'000

11. INTEREST IN JOINTLY CONTROLLED ASSET

The Consolidated Entity has a 100% (2012: 100%) interest in the assets, liabilities and output of a jointly controlled asset, called the Tasmania Mine.

The Tasmania Mine is not a separate legal entity. It is a contractual arrangement between the participants for the sharing of costs and output and does not generate revenue and profit.

The interest in the Tasmania Mine is included in the financial statements as follows:

	2013	2012
CURRENT ASSETS		
Cash	**1**	2,684
Trade & other receivables	**256**	2,088
Inventories	**-**	4,890
TOTAL CURRENT ASSETS	**257**	9,662
NON-CURRENT ASSETS		
Cash	**1,592**	-
Property, plant and equipment (owned & leased)	**3,487**	7,184
Exploration, evaluation and development	**-**	910
Security deposit	**316**	310
TOTAL NON-CURRENT ASSETS	**5,395**	8,404
TOTAL ASSETS	**5,652**	18,066
CURRENT LIABILITIES		
Trade and other payables	**-**	2,951
Interest-bearing loans and borrowings	**-**	103
Provisions	**1,010**	10,703
Other	**-**	61
TOTAL CURRENT LIABILITIES	**1,010**	13,818
NON-CURRENT LIABILITIES		
Provisions	**1,933**	278
TOTAL NON-CURRENT LIABILITIES	**1,933**	278
TOTAL LIABILITIES	**2,943**	14,096
NET ASSETS	**2,709**	3,970

Commitments in relation to the Tasmania Mine are disclosed in note 23.

12. PROPERTY, PLANT & EQUIPMENT

	Land & Buildings $'000	Plant & Equipment $'000	Plant & Equipment under Lease $'000	Total $'000
CONSOLIDATED				
At 1 July 2011				
Cost	1,192	54,616	3,145	58,953
Accumulated depreciation	(850)	(32,653)	(1,049)	(34,552)
Net carrying amount	342	21,963	2,096	24,401
Year ended 30 June 2012				
At 1 July 2011, net of accumulated depreciation	342	21,963	2,096	24,401
Additions	-	502	-	502
Depreciation charge for the year	(265)	(15,313)	(1,655)	(17,233)
Disposals	-	(486)	-	(486)
At 30 June 2012, net of accumulated depreciation	77	6,666	441	7,184
At 30 June 2012				
Cost	1,192	51,928	3,145	56,265
Accumulated depreciation	(1,115)	(45,262)	(2,704)	(49,081)
Net carrying amount	77	6,666	441	7,184
Year ended 30 June 2013				
At 1 July 2012, net of accumulated depreciation	77	6,666	441	7,184
Additions	-	1,612	124	1,736
Depreciation charge for the year	(70)	(3,416)	(446)	(3,932)
Disposals	-	(1,041)	-	(1,041)
At 30 June 2013, net of accumulated depreciation	7	3,821	119	3,947
At 30 June 2013				
Cost	85	28,071	124	28,280
Accumulated depreciation	(78)	(24,250)	(5)	(24,333)
Net carrying amount	7	3,821	119	3,947

Leased Assets
Assets under lease are pledged as security for the associated lease liabilities.

Asset Valuation
BCD Resources NL engaged Grays Asset Services, a division of Grays (VIC) Pty Ltd. in June 2013 to undertake a valuation of assets on the bases of market value for existing use ($10.487 million) and estimated auction value ($2.071 million). The Directors have resolved not to make any change to the asset value as disclosed in these accounts for the financial year ended 30 June 2013.

13. EXPLORATION, EVALUATION & DEVELOPMENT COSTS

	CONSOLIDATED $'000
At 1 July 2011	
Cost	50,373
Accumulated amortisation	(30,394)
Net carrying amounts	19,979
Year ended 30 June 2012	
At 1 July 2011, net of accumulated amortisation	19,979
Additions	605
Exploration costs written off	(2,014)
Amortisation charge for the year	(12,217)
At 30 June 2012, net of accumulated amortisation	6,353
At 30 June 2012	
Cost	48,964
Accumulated amortisation	(42,611)
Net carrying amounts	6,353
Year ended 30 June 2013	
At 1 July 2012, net of accumulated amortisation	6,353
Additions	1,149
Disposals	(2,604)
Exploration costs written off	(3,305)
Amortisation charge for the year	(910)
At 30 June 2013, net of accumulated amortisation	683
At 30 June 2013	
Cost	683
Accumulated amortisation	-
Net carrying amount	683

	CONSOLIDATED	
	2013	2012
	$'000	$'000
14. OTHER NON-CURRENT ASSETS		
Security deposits	**382**	492
	382	492

15. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2013	2012
	$'000	$'000
Current		
Trade payables (i)	**251**	2,951
Amounts payable under indemnity by BCD Resources (Operations) NL former banker (pre-acquisition activities) (ii)	**-**	144
Sundry creditors and accruals (iii)	**635**	913
	886	4,008

(i) Trade payables include Joint Venture and corporate trade creditors. They are non-interest-bearing and normally settled in 30-60 days.

(ii) BCD Resources (Operations) NL former banker

Under the terms of an agreement with BCD Resources (Operations) NL former banker, the agreement being a pre-requisite of terminating the Allstate Deeds of Company Arrangement and consolidating ownership of the Tasmania Mine, BCD Resources (Operations) NL agreed to repay advances paid to it in accordance with an indemnity agreement and guarantee.

Repayment of the advances, at the rate of $10 per ounce of production from the Tasmania Mine has terminated following cessation of gold production from the Tasmania Mine.

(iii) Sundry creditors and accruals are non-interest-bearing and normally settled within 30-60 days.

Information regarding the interest rate and liquidity risk associated with trade and other payables is set out in note 3.

	CONSOLIDATED	
	2013	2012
	$'000	$'000

16. INTEREST BEARING LOANS & BORROWINGS

Current		
Lease liability (refer note 23)	**28**	103
	28	103

17. PROVISIONS

Current		
Employee benefits – annual leave	**175**	1,000
Employee benefits – long service leave	**143**	612
Employee benefits – redundancy	**-**	1,837
Rehabilitation (refer below)	**1,010**	7,254
	1,328	10,703
Non-current		
Rehabilitation (refer below)	**1,933**	278
	1,933	278

Rehabilitation

(a) A provision for rehabilitation is recognised in relation to the rehabilitation of the mine and processing facility sites. The provision represents the net present value of the estimated cost of restoring the mine and processing facility sites.

The annual increase in the provision relating to the change in the net present value of the provision and inflationary increases are accounted for in finance costs.

The rehabilitation provision was reassessed during the 2013 year due to the closure of the mine resulting in an increase of forecast costs of $1.272 million. To 30 June 2013 rehabilitation expenditure incurred was $5.861 million.

(b) Movements in rehabilitation provision.

Carrying amount at beginning	**7,532**	9,965
Discount rate adjustment and unwind of discount	**-**	820
Expenditure	**(5,861)**	(1,067)
Reassessment adjustment	**1,272**	(2,186)
Carrying amount at end	**2,943**	7,532

	CONSOLIDATED	
	2013	2012
	$'000	$'000
18. OTHER LIABILITIES		
Current		
Deferred income	**-**	61
	-	61

19. INTEREST BEARING LOANS & BORROWINGS		
Non-current		
Lease liability (refer note 23)	**86**	**-**
	86	**-**

Information regarding the interest rate and liquidity risk of interest bearing loans and borrowings is set out in note 3.

	CONSOLIDATED	
	2013	2012
	$'000	$'000
20. CONTRIBUTED EQUITY		
Ordinary shares – listed	**151,382**	151,382
	151,382	151,382

Movement in ordinary shares on issue

	No. Thousands	$'000
At 1 July 2011	**105,746**	150,402
Issued during the year		
- Conversion of convertible notes	**11,111**	1,000
Transaction costs (tax effected)	**-**	(20)
At 30 June 2012	**116,857**	151,382
No shares issued during the year	**-**	-
At 30 June 2013	**116,857**	151,382

Ordinary Shares - Consolidation

At the Annual General Meeting held on 4 December 2012, BCD Resources shareholders approved the consolidation of shares, on a 1 for 9 basis, in accordance with section 254H of the Corporations Act 2001. The comparative number of shares has been restated to reflect the share consolidation. The share consolidation was effective from 20 December 2012.

21. RESERVES

	Share based payment reserve $'000	Business combination asset revaluation reserve $'000	Value of conversion rights for convertible notes $'000	Total $'000
CONSOLIDATED				
At 1 July 2011	1,380	5,344	664	7,388
Transfer to accumulated losses	(1,380)	-	(664)	(2,044)
At 30 June 2012	**-**	**5,344**	**-**	**5,344**
Transfer to accumulated losses	**-**	**(5,344)**	**-**	**(5,344)**
At 30 June 2013	**-**	**-**	**-**	**-**

Nature and purpose of reserves

Share based payment reserve

This reserve was transferred to accumulated losses on 31 December 2011. The share based payment reserve was used to record the value of share based payments provided to key management personnel as part of their remuneration and to third parties for the provision of goods and services.

Business combination asset revaluation reserve

The business combination asset revaluation reserve represents BCD Resources NL's 25.62% share (its original ownership interest) of the movement in the net fair value of the BCD Resources NL (Operations) group's net asset position between the date that BCD Resources first acquired the 25.62% interest and the date it obtained control of the group through the acquisition of the Newmont and other shares (30 April 2007). This reserve was transferred to accumulated losses on 30 June 2013.

Value of conversion rights for convertible notes reserve

This reserve was transferred to accumulated losses on 30 June 2012. The value of conversion rights for convertible notes represents the initial value ascribed to the conversion feature embedded within the convertible notes that were issued during the 2011 year and were redeemed during the 2012 year. This reserve has been tax effected. It effectively represents the holder's right to call for shares of the issuer.

	CONSOLIDATED	
	2013	2012
	$'000	$'000

22. NON-CONTROLLING INTERESTS

Non-controlling interests in BCD Resources (Operations) NL comprises:		
Interest in accumulated losses at beginning of the year	**(15,013)**	(14,808)
Add: Interest in loss after income tax for the year	**(790)**	(205)
Transfer interest in Business Combination Asset Revaluation Reserve	**5,600**	-
Interest in accumulated losses at end of the year	**(10,203)**	(15,013)
Interest in Share Capital at beginning and end of the year	**5,555**	5,555
Interest in Business Combination Asset Revaluation Reserve	**-**	5,600
Total Non-controlling Interests	**(4,648)**	(3,858)

23. EXPENDITURE COMMITMENTS

Exploration expenditure		
Maintain rights of tenure to exploration tenements	**-**	2,148

Capital expenditure

There were no capital expenditure commitments at 30 June 2013 and 30 June 2012.

Commitments in relation to finance leases are as follows:

Payable not later than one year	**36**	107
Later than one year but not later than five years	**90**	-
Minimum lease payments	**126**	107
Less: future finance charges	**(12)**	(4)
	114	103
Current lease liability (note 16)	**28**	103
Non-current lease liability (note 19)	**86**	-
	114	103

Lease liabilities are secured by the leased items of plant and equipment.

	CONSOLIDATED	
	2013	2012
	$'000	$'000
23. EXPENDITURE COMMITMENTS (continued)		
Commitments in relation to operating leases (non-cancellable)		
Payable not later than one year	-	6
Later than one year but not later than five years	-	-
Aggregate operating lease expenditure contracted for at reporting date.	-	6

24. CONTINGENCIES

Contingent Assets

Royalty Payments to Mineral Resources Tasmania ("MRT")

In December 2004, the Company submitted a claim to MRT alleging overpayment of profit-based royalty by the BCD Resources (formerly Beaconsfield Gold) receiver and manager, up to the date of his retirement in March 2004.

The alleged overpayment (approximately $0.710 million) arose mainly from an understatement of depreciation and amortisation expense in calculating profit for royalty, thereby overstating profit.

Profit royalty of $0.385 million was accrued for the year ended 30 June 2004, but has not been accrued in subsequent years. The Company continues to pay ad valorem royalty to MRT when it becomes due.

In April 2005 MRT formally rejected the Company's claim. The Company was successful in quashing the MRT decision to reject the Company's claim. Proceedings have commenced to recover the overpayment.

Following the takeover of BCD Resources (Operations) in 2007, a review of profit-based royalty payments by Allstate has revealed that the former Allstate deed administrator paid profit-based royalty to MRT calculated on the same basis as that used by the BCD Resources receiver and manager. BCD Resources (Operations) has advised MRT that it will seek to recover approximately $1.877 million allegedly overpaid up to June 2006

Recovery of the BCD Resources and BCD Resources (Operations) overpayments will result in a write-back to profit of approximately $2.972 million (comprising the reversal of the current accrual of $0.385 million and the recognition of the $2.587 million overpayment).

Both actions are proceeding in the Supreme Court of Tasmania and are progressing to mediation.

Contingent Liabilities

Terminated Service Agreement

In June 2013, the Company was issued with a writ seeking an alleged underpayment (approximately $0.190 million) for notice and severance payment of a terminated service agreement.

The matter has been referred to the Company's legal representative to dispute the allegation.

25. RELATED PARTY DISCLOSURES

(a) Directors

The following persons held the position of Director of the Company during the past financial year:

Clive S Carroll	Non-Executive Chairman	(Appointed 24 July 2012)
David F Groves	Non-Executive Director	(Appointed 31 August 2012)
Nigel B Webb	Non-Executive Director	
Michael D Botting	Non-Executive Chairman	(Resigned 3 September 2012)
Kevin J Perrin	Non-Executive Director	(Resigned 3 September 2012)

Transactions entered into during the year with the Directors of the Company and their Director related entities are within normal employee relationships, on terms and conditions no more favorable to those available to other employees.

(b) Transactions with related parties in the group

During the year the parent entity advanced loans to ($17.356 million) and received repayments from ($10.191 million) entities within the group on short term intercompany accounts.

These transactions were undertaken on an interest free basis except for the cash advanced by BCD Resources to the BCD Resources (Operations) Group to fund its operations. The interest expense received from the BCD Resources (Operations) Group by BCD Resources totaled $4.211 million.

During the year BCD Resources charged management fees of $0.462 million to the BCD Resources (Operations) Group for administration of the Tasmania Mine and corporate activities.

(c) Transactions with director related parties

During the year $25,850 was paid to Webb Industries Pty Ltd in relation to equipment hire. N B Webb is the sole director of Webb Industries Pty Ltd.

During the year $48,762 was paid to MKS Capital Pty Ltd in relation to refining and freight costs for gold refining. C S Carroll is the managing director of MKS Capital Pty Ltd.

(d) Ownership interests

The ownership interests in related parties in the wholly owned group are set out in note 10.

(e) Ultimate controlling entity

The ultimate controlling entity of the Consolidated Entity is BCD Resources NL.

26. EARNINGS PER SHARE (EPS)

	2013	2012
Basic EPS (cents)	**(6.70)**	(8.56)
Diluted EPS (cents)	**(6.70)**	(8.56)

The following income and share data were used in the calculations of basic and diluted EPS:

	$'000	$'000
Net loss after tax and non-controlling interests used as the numerator:		
- Basic EPS	**(7,827)**	(9,870)
- Diluted EPS	**(7,827)**	(9,870)

	No. of Shares ('000)	No. of Shares ('000)
Weighted average number of ordinary shares outstanding during the year used as the denominator in calculating:		
Basic EPS	**116,857**	115,320**
Diluted EPS	**116,857**	115,320**

**June 2012 comparatives have been restated to reflect share consolidation (refer note 20).

27. SEGMENT INFORMATION

The Consolidated Entity operates within the minerals exploration and mining industry in Australia and has one customer from which it sources its revenue. All sales are made within Australia. All assets owned by the Consolidated Entity are held within Australia.

28. EVENTS AFTER THE BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

	CONSOLIDATED	
	2013	2012
	$	$
29. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by RSM Bird Cameron Partners for :		
• an audit and/or review of the financial report of the entity and any other entity in the consolidated entity	**93,280**	102,480
• other services in relation to the entity and any other entity in the consolidated entity		
- tax compliance	**16,250**	15,000
- assurance related	**-**	1,600
- other tax services and advice	**16,379**	22,300
	125,909	141,380

	CONSOLIDATED	
	2013	2012
	$'000	$'000
30. STATEMENT OF CASH FLOWS		
(a) Reconciliation of net loss after tax to net cash flows from operations:		
Net loss after tax	**(8,617)**	(10,075)
Adjustments for:		
Non cash items :		
Amortisation of non-current assets	**910**	12,217
Depreciation of non-current assets	**3,932**	17,233
Unwind of discount on rehabilitation provision	**-**	820
Unwind of discount on pre-acquisition indemnities	**-**	10
Exploration expenditure written off	**3,305**	2,014
Tax expense	**-**	3,523
Diminution of goodwill	**-**	1,891
Adjustment to pre-acquisition indemnities	**(36)**	(42)
Profit on sale of assets	**(1,190)**	(1,186)
Adjustment to provision for rehabilitation	**1,272**	(2,186)
Transfers:		
Interest received - transfer to investing activities	**(195)**	(196)
Finance Costs – transfer to financing activities	**5**	2,327
Changes in assets and liabilities		
Receivables	**(1,851)**	(7,670)
Inventories	**4,109**	(854)
Trade & other creditors & borrowings	**446**	475
Provisions	**(8,992)**	1,348
Other assets	**(1,202)**	1,472
Net cash flows from/(used in) operating activities	**(8,104)**	21,121

30. STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank and on hand. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	CONSOLIDATED	
	2013	2012
	$'000	$'000
Cash balance comprises:		
Current asset	**1,158**	9,224
Non-current asset	**1,592**	-
	2,750	9,224

Cash deposits at banks are earning interest at current bank deposit rates. The average rate for the year was 3.8% (2012: 4.3%).

At 30 June 2013 $1.592 million (2012: $2.613 million) of cash was held on deposit and is surplus funds held previously for Tasmania Mine employee entitlements.

(c) Financing facilities available

At reporting date there were no financing facilities available to the Consolidated Entity. There were no financing facilities available to the Consolidated Entity at 30 June 2013.

(d) Non-cash financing activities – finance lease transactions

During the financial year the Consolidated Entity entered into two finance leases.

31. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

Clive S Carroll	Non-Executive Chairman – appointed 24 July 2012
David F Groves	Non-Executive Director – appointed 31 August 2012
Nigel B Webb	Non-Executive Director
Michael D Botting	Non-Executive Chairman - resigned 3 September 2012
Kevin J Perrin	Non-Executive Director – resigned 3 September 2012

(ii) Executives

Richelle A Greenwood	Chief Financial Officer/Joint Company Secretary appointed 3 Sept. 2012
Brian D Coulter	Joint Company Secretary
Peter R Thompson	Chief Executive Officer – terminated 13 November 2012
Paul J Richardson	Tasmania Mine General Manager – resigned 19 November 2012

31. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(b) Compensation of Key Management Personnel

Compensation by Category

	CONSOLIDATED	
	2013	2012
	$	$
Short-Term	**854,939**	1,123,332
Post-Employment	**54,302**	66,167
Share-based Payments	**-**	93,406
	909,241	1,282,905

(c) Option holdings of Key Management Personnel

All options refer to options over ordinary shares of BCD Resources NL, which are exercisable on a one-for-one basis under the BCD Resources NL Option Scheme or the BCD Resources NL Option Scheme No. 2.

The movements during the year in the number of options over ordinary shares in BCD Resources NL, held directly, indirectly or beneficially by each key management personnel, including their related entities, was as follows:

30 June 2013	*Balance at beginning of period 01-Jul-12*	*Granted as Remuneration*	*Options Lapsed*	*Balance at end of period 30-Jun-13*	*Vested and exercisable*	*Unvested*
B D Coulter	33,334	-	-	33,334	33,334	-
P R Thompson (1)	55,556	-	55,556	-	-	-
	88,890	-	55,556	33,334	33,334	-

30 June 2012 (2)	*Balance at beginning of period 01-Jul-11*	*Granted as Remuneration*	*Options Lapsed*	*Balance at end of period 30-Jun-12*	*Vested and exercisable*	*Unvested*
B D Coulter	61,112	-	27,778	33,334	33,334	-
P R Thompson	55,556	-	-	55,556	55,556	-
	116,668	-	27,778	88,890	88,890	-

(1) Employment terminated on 13 November 2012.

(2) Comparative numbers have been restated to reflect share consolidation (refer note 20).

31. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Performance Right Holdings of Key Management Personnel

All Performance Rights (PR's) refer to rights which may be converted to fully paid ordinary shares of BCD Resources NL, on a one-for-one basis, immediately on vesting, at no cost.

The movement during the year in the number of PR's held by key management personnel were as follows:

30 June 2013	*Balance at beginning of period 01-Jul-12*	*Granted as Remuneration*	*PR's Lapsed*	*Balance at end of period 30-Jun-13*	*Vested and exercisable*	*Unvested*
P R Thompson (1)	1,111,111	-	1,111,111	-	-	-
	1,111,111	-	1,111,111	-	-	-

30 June 2012 (2)	*Balance at beginning of period 01-Jul-11*	*Granted as Remuneration*	*PR's Lapsed*	*Balance at end of period 30-Jun-12*	*Vested and exercisable*	*Unvested*
P R Thompson	1,666,667	-	555,556	1,111,111	-	1,111,111
	1,666,667	-	555,556	1,111,111	-	1,111,111

(1) Employment terminated on 13 November 2012.

(2) Comparative numbers have been restated to reflect share consolidation (refer note 20).

(3) 31. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(e) Shareholdings of Key Management Personnel

Shares held in BCD Resources NL- Direct and Indirect Holdings

The movements during the year in the number of ordinary shares in BCD Resources NL, held directly, indirectly or beneficially by each key management personnel, including their personally related entities, were as follows:

30 June 2013	*Balance 01-Jul-12*	*Granted as Remuneration*	*On Exercise of Options*	*Net Change Other*	*Balance 30-Jun-13*
Directors					
Clive S Carroll (1)	-	-	-	26,135,631	26,135,631
David F Groves (2)	-	-	-	855,558	855,558
Nigel B Webb	36,666,667	-	-	(15,965,715)	20,700,952
Michael D Botting (3)	266,040	-	-	(266,040)	-
Kevin J Perrin (4)	477,778	-	-	(477,778)	-
Key Management Personnel					
Peter R Thompson (5)	268,773	-	-	(268,773)	-
Totals	**37,679,258**	**-**	**-**	**10,012,883**	**47,692,141**

30 June 2012 (6)	*Balance 01-Jul-11*	*Granted as Remuneration*	*On Exercise of Options*	*Net Change Other*	*Balance 30-Jun-12*
Directors					
Nigel B Webb	36,666,667	-	-	-	36,666,667
Michael D Botting (3)	-	-	-	266,040	266,040
Kevin J Perrin (4)	477,778	-	-	-	477,778
Key Management Personnel					
Peter R Thompson	88,889	-	-	179,884	268,773
Totals	**37,233,334**			**445,924**	**37,679,258**

(1) Appointed on 24 July 2012
(2) Appointed on 31 August 2012
(3) Appointed on 1 March 2011; resigned on 3 September 2012
(4) Resigned on 3 September 2012
(5) Terminated on 13 November 2012
(6) Comparative numbers have been restated to reflect share consolidation (refer note 20).

All equity transactions with key management personnel and their related parties (where applicable) have been entered into under terms and conditions no more favorable than those the Consolidated Entity would have adopted if dealing at arm’s length.

(f) Other transactions and balances with Key Management Personnel

There were no other transactions or balances with Key Management Personnel.

32. SHARE-BASED PAYMENT PLANS

Employee Option Plan

The establishment of the BCD Resources NL Option Scheme No. 2 was approved by shareholders at the 2008 Annual General Meeting, and all employee options issued during the year ended 30 June 2009 were issued under that scheme. In prior years employee options were issued under the terms of the BCD Resources NL Option Scheme, which scheme is now terminated. No options were issued during the year ended 30 June 2013.

Options are issued for no consideration, and are granted for a five year period from grant date or deemed grant date.

Options granted under the scheme carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

Performance Rights

In accordance with the former Chief Executive Officer's service agreement, 1,666,666 performance rights were granted to the CEO in March 2011. Performance rights may be converted to fully paid ordinary shares of BCD Resources NL, on a one-for-one basis, immediately on vesting, at no cost.

These performance rights lapsed when his employment was terminated on the 13 November 2012.

The expense recognised for employee services received during the year is shown in the following table.

	2013	2012
	$'000	$'000
Expense arising from equity settled share-based payment transactions	**-**	93
Total expense arising from share-based payment transactions	**-**	93

32. SHARE-BASED PAYMENT PLANS (continued)

Movements in the year

The following table shows the number and weighted average exercise price (WAEP) of, and movements in, share options during the year.

	2013 Number	**2013 WAEP $**	2012** Number	2012 WAEP $
Outstanding at 1 July	**88,890**	**1.60**	116,668	1.94
Granted during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Expired/Lapsed during the year	**(55,556)**	**1.37**	(27,778)	3.06
Outstanding at 30 June	**33,334**	**1.98**	88,890	1.60
Exercisable at 30 June	**33,334**	**1.98**	88,890	1.60

The weighted average remaining contractual life for the share options outstanding as at 30 June 2013 is 0.17 years (2012: 1.06 years).

The range of exercise prices for options outstanding at the end of the year was $1.98 to $1.98 (2012: $1.37 to $1.98).

**2012 Comparative numbers have been restated to reflect share consolidation (refer note 20).

The following table shows movements in the number of performance rights during the year.

	2013	2012
Outstanding at 1 July	1,111,111	1,666,667
Granted during the year	-	-
Exercised during the year	-	-
Expired/Lapsed during the year	(1,111,111)	(555,556)
Outstanding at 30 June	-	1,111,111

Directors' Declaration

In accordance with a resolution of the directors of BCD Resources NL, I state that:

(1) (a) the financial report of the consolidated entity, and the additional disclosures included in the Directors' report designated as audited are 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 2013 and of the consolidated entity's performance for the year ended on that date;

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) in the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 2 to the financial statements.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 10 to the financial statements will, as a group, be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

On behalf of the Board

C S Carroll
Chairman

28 August 2013
Sydney

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BCD RESOURCES NL

Report on the Financial Report

We have audited the accompanying financial report of BCD Resources NL, which comprises the consolidated balance sheet as at reporting date, 30 June 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the consolidated entity comprising 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 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements 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 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

RSM Bird Cameron Partners

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 BCD Resources NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of BCD Resources NL 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 2013 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 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion the Remuneration Report of BCD Resources NL for the year ended 30 June 2013 complies with section 300A of the Corporations Act 2001.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Jason Croall

J S CROALL
Partner

Melbourne, VIC
Dated: 28 August 2013

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 August 2013.

(a) Distribution of equity securities

The numbers of shareholders, by size of holding, are:

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	577	153,741
1,001	-	5,000	255	579,478
5,001	-	10,000	180	1,477,360
10,001	-	100,000	576	15,879,150
100,001	and over		124	98,767,099
			1,712	116,856,828
The number of shareholders holding less than a marketable parcel of shares are:			1,235	4,898,877

The number of fully-paid ordinary shares by location are:

	Number of Shares
New South Wales	55,629,113
Tasmania	25,000,366
Victoria	24,764,685
Western Australia	4,150,370
Queensland	3,907,936
South Australia	991,872
Australian Capital Territory	394,954
Northern Territory	52,964
Total Australia	114,892,260
Overseas	1,964,568
Total	116,856,828

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	Eclectic Investments Pty Limited	26,135,631	22.37
2	Webb Mining Services Pty Ltd	20,700,952	17.71
3	HSBC Custody Nominees (Australia) Limited	7,449,543	6.37
4	Mr Geoffrey Knight Morgan <G&M Morgan Investments A/C>	3,860,000	3.30
5	Mr Kai Liu	2,311,112	1.98
6	Atlantic Investment (Aust) Pty Ltd	2,276,667	1.95
7	Hipete Pty Ltd	2,155,556	1.84
8	Lewer Corporation Pty Ltd	2,026,081	1.73
9	PPT Nominees Pty Ltd	1,918,251	1.64
10	Drysdale Metals Pty Ltd	1,199,151	1.03
11	HSBC Custody Nominees (Australia) Limited GSCO ECA	1,087,992	0.93
12	Mr Andrew Ian Brown	922,857	0.79
13	Mr William Charles Wheelahan	900,000	0.77
14	Superdeck Pty Ltd <DKC & E Groves S/Fund A/C>	855,558	0.73
15	Rezann Pty Ltd <Ripka Family A/C>	768,323	0.66
16	Savvy Capital Management Pty Ltd <Savvy Family A/C>	711,112	0.61
17	Mortangi Holdings Pty Ltd <Newbeach A/C>	693,354	0.59
18	Delphi Systems Pty Ltd	661,112	0.57
19	Au Mining Limited <Au Mining Limited A/C>	653,223	0.56
20	Mr Michael Qing Xin Peng	633,334	0.54
		77,919,809	66.68

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of shares
Eclectic Investments Pty Limited	26,135,631
Webb Mining Services Pty Ltd	20,700,952
Mr Oran Koohapremkit and Mr Keeratipong Kuharpremkit	7,278,399

(d) Voting rights

All fully paid ordinary shares carry one vote per share without restriction.

(e) Schedule of interests in mining tenements

Name	Tenement	Interest	State
Tasmania Mine Tenements (a)			
• Beaconsfield Consolidated Mining Lease	1767 P/M	100.0	Tas
BCD Resources Group Exploration Licences (b)			
• Lefroy Mining Lease	ML 16M/1991 (b)	100.0	Tas
• Lefroy	EL 35/2001 (b)	100.0	Tas
• Middle Arm Beaconsfield	EL 6/2012	100.0	Tas

(a) The BCD Resources (Operations) group has a 51.51% interest in these tenements. The mining lease is currently not in operation and rehabilitation works are being undertaken. The lease will be cancelled upon successful completion of rehabilitations works.

(b) The mining lease and exploration licence at Lefroy are currently not operational and rehabilitation works are being undertaken. These leases will be cancelled upon successful completion of rehabilitation works.