



ABN 11 113 931 105

Financial Report  
for the half year ended 31 December 2011

*This Half-Year Report should be read in conjunction with the Company's  
Annual Report for the year ended 30 June 2011*

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## **CORPORATE DIRECTORY**

### **Directors**

Mr. Hugh Bresser (Non Executive Chairman)

Mr. Kevin Joyce (Managing Director)

Mr. Wayne Ryder (Finance Director)

Mr. Warren Staude (Non Executive Director)

Mr. Michael Haynes (Non Executive Director)

### **Company Secretary**

Mr. Nicholas Day

### **Registered Office and Principal Place of Business**

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Australia

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### **Share Register**

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### **Stock Exchange Listing**

Birimian Gold Limited shares

are listed on the Australian Securities

Exchange, the home branch being Perth

ASX Code: BGS

### **Auditors**

Grant Thornton Audit Pty Ltd

Level 1

10 Kings Park Road

West Perth WA 6005 Australia

## **DIRECTORS' REPORT**

The Directors of Birimian Gold Limited submit their report for the half-year ended 31 December 2011.

### **Directors**

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

|                     |  |
|---------------------|--|
| Mr. Hugh Bresser    | Non Executive Chairman                           |
| Mr. Kevin Joyce     | Managing Director                                |
| Mr. Wayne Ryder     | Finance Director                                 |
| Mr. Warren Staude   | Non Executive Director                           |
| Mr. Michael Haynes  | Non Executive Director                           |
| Mr. Garry Plowright | Non Executive Director (resigned 19 August 2011) |

### **Results of Operations**

The Group's net loss after taxation attributable to the members of Birimian Gold Limited for the half-year ended 31 December 2011 was \$936,632 (2010: \$375,762).

### **Review of Operations**

During the past six months the Company changed its name to Birimian Gold Limited (formerly Eagle Eye Metals Limited).

During the period Birimian Gold Limited completed its maiden reverse circulation (RC) drilling program at the Dankassa Gold Project in Mali. This phase one programme comprised 24 holes for a total of 2,400 metres of drilling. A second phase drilling programme was initiated completing 1,638 metres of RC drilling, 8,948 metres of aircore drilling and approximately 6,000 metres of auger drilling. The Company has delineated a new, 12km long, high tenor gold zone at the Dankassa Gold Project. Drilling is scheduled to commence in the near term.

Birimian Gold Limited also undertook an extensive work program to rapidly evaluate the potential of the Korindji Gold Project. The programme involved detailed geological mapping, soil sampling and rock chip sampling over previously defined mineralised trends. Analytical results are pending.

In Liberia, the first phase of field reconnaissance soil sampling program was undertaken at the Basawa Gold Project during the period, analytical results are expected shortly.

### **Auditor's Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, Grant Thornton, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2011.

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

A handwritten signature in dark ink, appearing to read 'Kevin Joyce', is positioned above the printed name and title.

Mr Kevin Joyce  
Managing Director

Perth, Western Australia  
15 March 2012

**Competent Persons Statement**

*The information in this report that relates to exploration results is based on information compiled by or under the supervision of Mr Kevin Anthony Joyce. Mr Kevin Anthony Joyce is Managing Director of Birimian Gold Limited and a Member of the Australian Institute of Geoscientists. Mr Kevin Anthony Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Kevin Anthony Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



# Grant Thornton

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## **Auditor's Independence Declaration To The Directors of Birimian Gold Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Birimian Gold Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

J W Vibert  
Partner - Audit & Assurance

Perth, 15 March 2012

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**Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2011**

|  |       | <b>Consolidated</b> |                  |
|--|-------|---------------------|------------------|
|  |       | 31 Dec 2011         | 31 Dec 2010      |
|  | Notes | \$                  | \$               |
| Interest revenue   |       | 35,970              | 2,618            |
| Other income   |       | -                   | 7,736            |
|  |       | <b>35,970</b>       | <b>10,354</b>    |
| <b>Expenses</b>  |       |                     |                  |
| Listing and share registry expenses                                |       | (40,813)            | (10,941)         |
| Accounting and audit fees  |       | (68,974)            | (44,682)         |
| Legal fees   |       | (10,459)            | -                |
| Consultants and directors' fees                                    |       | (615,825)           | (132,500)        |
| Foreign exchange gain/(loss)                                       |       | (2,718)             | -                |
| Depreciation   |       | (3,193)             | (3,239)          |
| Exploration expenditure write off                                  |       | (36,597)            | -                |
| Impairment of financial assets                                     |       | -                   | (29,500)         |
| Administrative expenditure   | 4     | (183,757)           | (77,721)         |
| Other expenses   |       | (10,266)            | (10,508)         |
| <b>Loss before income tax</b>                                      |       | <b>(936,632)</b>    | <b>(298,737)</b> |
| Income tax expense   |       | -                   | (77,025)         |
| <b>Loss after income tax</b>                                       |       | <b>(936,632)</b>    | <b>(375,762)</b> |
| <b>Other comprehensive income</b>                                  |       |                     |                  |
| Net loss on revaluation of financial assets                        |       | (218,717)           | (399,911)        |
| Transfer of realised gain to other income                          |       | -                   | (7,736)          |
| Income tax relating to components of other comprehensive income    |       | -                   | 77,205           |
| Foreign currency translation                                       |       | 29,791              | -                |
| <b>Total comprehensive income for the period, net of tax</b>       |       | <b>(1,125,558)</b>  | <b>(706,204)</b> |
| <b>Loss per share to the ordinary equity holders of the parent</b> |       |                     |                  |
| Basic loss per share (cents per share)                             |       | (0.74)              | (0.90)           |
| Diluted loss per share (cents per share)                           |       | (0.74)              | (0.90)           |

*The statement of comprehensive income is to be read in conjunction with the notes to the half-year financial report.*

**Consolidated Statement of Financial Position as at 31 December 2011**

|  | Notes | <b>Consolidated</b> |                   |
|--|-------|---------------------|-------------------|
|  |       | 31 Dec 2011         | 30 Jun 2011       |
|  |       | \$                  | \$                |
| <b>CURRENT ASSETS</b>                      |       |                     |                   |
| Cash and cash equivalents                  |       | 763,766             | 2,307,229         |
| Other current assets                       |       | 60,746              | 84,604            |
|  |       | <u>824,512</u>      | <u>2,391,833</u>  |
| Current assets classified as held for sale |       | 112,500             | 112,500           |
| <b>TOTAL CURRENT ASSETS</b>                |       | <b>937,012</b>      | <b>2,504,333</b>  |
| <b>NON CURRENT ASSETS</b>                  |       |                     |                   |
| Available for sale financial assets        |       | 853,945             | 1,072,662         |
| Property, plant and equipment              |       | 4,917               | 8,113             |
| Exploration and evaluation expenditure     |       | 8,198,909           | 7,236,814         |
| <b>TOTAL NON CURRENT ASSETS</b>            |       | <b>9,057,771</b>    | <b>8,317,589</b>  |
| <b>TOTAL ASSETS</b>                        |       | <b>9,994,783</b>    | <b>10,821,922</b> |
| <b>CURRENT LIABILITIES</b>                 |       |                     |                   |
| Trade and other payables                   |       | 148,655             | 112,783           |
| Other creditors                            |       | 191,665             | 184,049           |
| <b>TOTAL CURRENT LIABILITIES</b>           |       | <b>340,320</b>      | <b>296,832</b>    |
| <b>NON CURRENT LIABILITIES</b>             |       |                     |                   |
| Other creditors                            |       | 412,817             | 396,413           |
| <b>TOTAL NON CURRENT LIABILITIES</b>       |       | <b>412,817</b>      | <b>396,413</b>    |
| <b>TOTAL LIABILITIES</b>                   |       | <b>753,137</b>      | <b>693,245</b>    |
| <b>NET ASSETS</b>                          |       | <b>9,241,646</b>    | <b>10,128,677</b> |
| <b>EQUITY</b>                              |       |                     |                   |
| Contributed equity                         | 9     | 12,641,356          | 12,617,356        |
| Reserves                                   |       | 117,287             | 91,686            |
| Accumulated losses                         |       | (3,516,997)         | (2,580,365)       |
| <b>TOTAL EQUITY</b>                        |       | <b>9,241,646</b>    | <b>10,128,677</b> |

The statement of financial position is to be read in conjunction with the notes to the half-year financial report.



**Consolidated Statement of Changes in Equity for the half year ended 31 December 2011**

|  | Issued<br>Capital | Accumulated<br>Losses | Share<br>Based<br>Payment<br>Reserves | Financial<br>Assets<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserves | Total            |
|--|-------------------|-----------------------|---------------------------------------|--------------------------------|--|------------------|
| <b>Consolidated</b>  | \$                | \$                    | \$                                    | \$                             | \$   | \$               |
| At 1 July 2010   | 5,499,754         | (1,862,965)           | -                                     | 694,654                        | -  | 4,331,443        |
| Loss for the period  | -                 | (375,762)             | -                                     | -                              | -  | (375,762)        |
| Other comprehensive<br>loss  | -                 | -                     | -                                     | (407,647)                      | -  | (407,647)        |
| Income tax relating to<br>components of other<br>comprehensive<br>income | -                 | -                     | -                                     | 77,025                         | -  | 77,025           |
| <b>Total<br/>comprehensive loss<br/>for the year</b>                     | -                 | (375,762)             | -                                     | (330,622)                      | -  | (706,384)        |
| <b>Transactions with<br/>owners in their<br/>capacity as owners</b>      |                   |                       |                                       |                                |  |                  |
| <b>Balance at 31<br/>December 2010</b>                                   | <b>5,499,754</b>  | <b>(2,238,727)</b>    | <b>-</b>                              | <b>364,032</b>                 | <b>-</b>                                       | <b>3,625,059</b> |
| At 1 July 2011   | 12,617,356        | (2,580,365)           | -                                     | 87,660                         | 4,026  | 10,128,677       |
| Loss for the period  | -                 | (936,632)             | -                                     | -                              | -  | (936,632)        |
| Other comprehensive<br>loss, net of tax                                  | -                 | -                     | -                                     | (218,717)                      | 29,791   | (188,926)        |
| <b>Total<br/>comprehensive loss<br/>for the year</b>                     | -                 | (936,632)             | -                                     | (218,717)                      | 29,791   | (1,125,558)      |
| <b>Transactions with<br/>owners in their<br/>capacity as owners</b>      |                   |                       |                                       |                                |  |                  |
| Shares issued upon<br>vesting of<br>performance rights                   | 24,000            | -                     | (24,000)                              | -                              | -  | -                |
| Share based<br>payments  | -                 | -                     | 238,527                               | -                              | -  | 238,527          |
| <b>Balance at 31<br/>December 2011</b>                                   | <b>12,641,356</b> | <b>(3,516,997)</b>    | <b>214,527</b>                        | <b>(131,057)</b>               | <b>33,817</b>                                  | <b>9,241,646</b> |

The statement of changes in equity is to be read in conjunction with the notes to the half-year financial report.

**Consolidated Statement of Cash Flows for the half-year ended 31 December 2011**

|  | <b>Consolidated</b> |                  |
|--|---------------------|------------------|
|  | 31 Dec 2011         | 31 Dec 2010      |
|  | \$                  | \$               |
| <b>Cash flows from operating activities</b>        |                     |                  |
| Payments to suppliers and employees                | (631,839)           | (185,064)        |
| Interest received                                  | 35,970              | 2,618            |
| <b>Net cash flows used in operating activities</b> | <b>(595,869)</b>    | <b>(182,446)</b> |
| <b>Cash flows from investing activities</b>        |                     |                  |
| Proceeds from sale of financial assets             | -                   | 24,836           |
| Payments for expenditure on exploration            | (944,876)           | (157,587)        |
| <b>Net cash flows used in investing activities</b> | <b>(944,876)</b>    | <b>(132,751)</b> |
| <b>Cash flows from financing activities</b>        |                     |                  |
| <b>Net cash flows from financing activities</b>    | <b>-</b>            | <b>-</b>         |
| Net decrease in cash and cash equivalents          | (1,540,745)         | (315,197)        |
| Cash and cash equivalents at beginning of period   | 2,307,229           | 331,109          |
| Foreign exchanges variances on cash                | (2,718)             | -                |
| <b>Cash and cash equivalents at end of period</b>  | <b>763,766</b>      | <b>15,912</b>    |

*The statement of cashflows is to be read in conjunction with the notes to the half-year financial report.*

## Notes to the Financial Statements for the half-year ended 31 December 2011

### 1. Corporate Information

The financial report of Birimian Gold Limited ("Birimian" or "the Company") for the half-year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 15 March 2012.

Birimian Gold Limited is a public Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

During the half year ended 31 December 2011, the principal activity was mineral exploration. The Group currently holds gold projects in the Australia and West Africa.

### 2. Going Concern

The financial statements for the half-year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the half-year the Company incurred an operating loss of \$936,632 (2010: \$375,762). Net cash outflow from operations was \$595,869 (2010: \$182,446).

The Directors consider the basis of going concern to be appropriate for the following reasons:

1. The Company has, since listing on ASX in late 2006, operated on a program of income and expenditure designed to ensure that there are at all times sufficient funds in hand to continue operations for the foreseeable future, whilst at the same time developing the exploration of its mineral exploration projects in an effective manner.
2. Exploration efficiency has been achieved by focus upon the Company's gold and nickel projects in a prioritised manner, rather than by a blanket method, and by joint venturing out projects after the Company produced initial positive exploration results, so as to conserve funds whilst at the same time maintaining active exploration programs.
3. The Company's exploration projects are located in the major gold and base metals mining regions of Western Australia and West Africa, where excellent infrastructure exists, enabling efficient and cost effective exploration.
4. With a relatively small issued capital, low debt, and by owning its investments in other public companies and all of its prospective exploration projects outright, the company has the ability to raise funds via equity financing or other financial arrangements in relation to its mining industry assets.
5. The Company has, at balance date, \$853,945 in value of shares in companies which are listed on ASX. Should the need arise for further funding, these investments will be realised.

6. Since balance date, the Company has embarked upon a fund raising program, details of which are set out in Note 8.

Should the Company be unable to raise sufficient funding as described above, there is a material uncertainty whether the Company will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from these stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

### 3. Basis of Preparation and Accounting Policies

#### Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by Birimian Gold Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

During the current period the Group modified the Consolidated Statement of Comprehensive Income to further disaggregate and clarify the nature of costs incurred. Comparative amounts were reclassified for consistency, which resulted in no impact on prior period total expenses.

#### New Accounting Standards and Interpretations

From 1 July 2011 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010 including:

|              |  |
|--------------|--|
| AASB 2009-10 | <p>Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]</p> <p>The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.</p> |
|--------------|--|

|                    |   |
|--------------------|---|
| AASB 2010-3        | <p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 &amp; AASB 139]</p> <p>Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), in a consistent manner i.e., allocate between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Clarifies that the revised accounting for loss of significant influence or joint control (from the issue of IFRS 3 Revised) is only applicable prospectively.</p>             |
| Interpretation 19  | <p>Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</p> <p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>  |
| AASB 124 (Revised) | <p>The revised AASB 124 Related Party Disclosures (December 2009) simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <ul style="list-style-type: none"> <li>(a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other</li> <li>(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other</li> <li>(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other</li> </ul> <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p> |

|              |  |
|--------------|--|
| AASB 2009-12 | <p>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</p> <p>Makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>In particular, it amends AASB 8 Operating Segments to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p>   |
| AASB 2009-14 | <p>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</p> <p>Arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The requirements of IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit.</p> <p>The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.</p>  |
| AASB 2010-4  | <p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]</p> <p>Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.</p> <p>Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.</p> <p>Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.</p> <p>Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.</p> |

|             |   |
|-------------|---|
| AASB 2010-5 | <p>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &amp; 1038 and Interpretations 112, 115, 127, 132 &amp; 1042]</p> <p>This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p> <p>These amendments have no major impact on the requirements of the amended pronouncements.</p> |
|-------------|---|

Adoption of the new Accounting Standards and Interpretations had no impact on the financial position or performance of the Company.

#### 4. Administrative Expenditure

|                                  | <b>Consolidated</b> |               |
|----------------------------------|---------------------|---------------|
|                                  | 31 Dec 2011         | 31 Dec 2010   |
|                                  | \$                  | \$            |
| Advertising and promotions       | 8,523               | 495           |
| Subscriptions                    | 16,043              | 6,990         |
| Bank fees                        | 1,989               | 345           |
| Computer expenses                | 7,257               | 4,566         |
| Conferences and seminars         | 4,045               | -             |
| General office expenses          | 22,563              | -             |
| Insurance                        | 11,455              | 3,865         |
| Printing and Stationery          | 3,960               | 757           |
| Postage                          | 7                   | 1,283         |
| Rent and outgoings               | 72,324              | 50,254        |
| Telephone                        | 2,315               | 7,855         |
| Travel and accommodation         | 31,604              | 813           |
| Other                            | 1,672               | 498           |
| Total Administrative Expenditure | <b>183,757</b>      | <b>77,721</b> |

#### 5. Dividends

No dividends have been paid or provided for during the half-year (2010: \$Nil).

#### 6. Segment Reporting

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for gold. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group operates in Australia and West Africa.

#### 7. Commitments and Contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

## 8. Events after the Reporting Date

On 1 February 2012, the Company announced a Placement of 19,006,583 ordinary shares at a price of \$0.035 per share, with one free attaching listed option (exercisable at \$0.06 and expiring on 28<sup>th</sup> February 2014) to raise \$665,230.

## 9. Contributed Equity

### Consolidated

| 31 Dec 2011 | 30 Jun 2011 |
|-------------|-------------|
| \$          | \$          |

### (a) Issued and paid up capital

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Ordinary shares fully paid | <b>12,641,356</b> | <b>12,617,356</b> |
|----------------------------|-------------------|-------------------|

|  | 31 Dec 2011        |                   | 30 Jun 2011        |                   |
|--|--------------------|-------------------|--------------------|-------------------|
|  | Number of shares   | \$                | Number of shares   | \$                |
| <b>(b) Movements in ordinary shares on issue</b> |                    |                   |                    |                   |
| Balance at beginning of period                   | 126,310,555        | 12,617,356        | 44,010,000         | 5,499,754         |
| Share Issue at \$0.09 on 24 May 2011             | -                  | -                 | 42,855,000         | 3,856,950         |
| Share Issue to Broker at \$0.09 on 24 May 2011   | -                  | -                 | 1,000,000          | 90,000            |
| Rights Issue at \$0.09 on 22 June 2011           | -                  | -                 | 25,300,000         | 2,277,000         |
| Share Placement at \$0.09 on 24 May 2011         | -                  | -                 | 12,145,555         | 1,093,100         |
| Share Issue to Broker at \$0.09 on 24 May 2011   | -                  | -                 | 1,000,000          | 90,000            |
| Issue of shares on vesting of performance rights | 400,000            | 24,000            | -                  | -                 |
| Transaction costs on share issue                 | -                  | -                 | -                  | (289,448)         |
|  | <b>126,710,555</b> | <b>12,641,356</b> | <b>126,310,555</b> | <b>12,617,356</b> |

## 10. Share Based Payment Plans

### (a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the period as part of share based payment expense were as follows:

### Consolidated

| 31 Dec 2011 | 30 Jun 2011 |
|-------------|-------------|
| \$          | \$          |

### Operating expenditure

Performance rights issued under performance rights plan

|                |          |
|----------------|----------|
| <b>238,527</b> | <b>-</b> |
|----------------|----------|

### (b) Share based payment to employees

The Group has established a performance rights plan (PRP). The objective of the PRP is to assist in the recruitment, reward, retention and motivation of employees of the Company. Under the PRP, the Directors may invite individuals acting in a manner similar to employees to participate in the PRP and receive performance rights. An individual may receive the rights or nominate a relative or associate to receive the rights. The plan is open to executive officers and employees of the Group. Details of rights granted under PRP are as follows:



| Grant date | Expiry date | Exercise price | Balance at start of the period<br>Number | Granted during the period<br>Number | Exercised during the period<br>Number | Expired during the period<br>Number | Balance at end of the period<br>Number | Exercisable at end of the period<br>Number |
|------------|-------------|----------------|--|-------------------------------------|---------------------------------------|-------------------------------------|--|--|
| 07/09/11   | 30/06/13    | \$0.00         | -  | 3,000,000 <sup>1</sup>              | -                                     | -                                   | 3,000,000                              | -  |
| 30/09/11   | 30/09/13    | \$0.00         | -  | 800,000 <sup>2</sup>                | (400,000)                             | -                                   | 400,000                                | -  |

|   |   |        |
|---|---|--------|
| Weighted remaining contractual life (years) | - | 1.53   |
| Weighted average exercise price             | - | \$0.00 |

<sup>1</sup> Represents performance rights issued to the company's Managing Director, Mr Kevin Joyce. 1,000,000 rights will vest once the Company's shares trade at \$0.15 or more for twenty (20) consecutive days on or before 30 June 2013, 1,000,000 rights will vest once the Company's shares trade at \$0.20 or more for twenty (20) consecutive days on or before 30 June 2013 and 1,000,000 rights will vest once the Company's shares trade at \$0.25 or more for twenty (20) consecutive days on or before 30 June 2013.

<sup>2</sup> Represents performance rights issued to contractors to the Company for services rendered. 400,000 rights vested immediately, 200,000 vest after one (1) year of continuous service on 30/09/12 and 200,000 vest after two (2) years of continuous service on 30/09/13.

During the half year 3,800,000 performance rights were issued for no consideration. The fair value at grant date of the performance rights granted was determined after taking into account the specific vesting conditions, the term of the right, the share price at grant date and the expected probability of any market based vesting conditions being achieved.

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Birimian Gold Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;
  - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in dark ink, appearing to read 'Kevin Joyce', is written over a faint, circular embossed seal. The seal contains text that is mostly illegible but appears to include 'Birimian Gold Limited' and 'Perth'.

Kevin Joyce  
Managing Director  
Perth

15 March 2012

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## **Independent Auditor's Review Report To the Members of Birimian Gold Limited**

We have reviewed the accompanying half-year financial report of Birimian Gold Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

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

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Birimian Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Birimian Gold Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

**Material uncertainty regarding continuation as a going concern**

Without qualification to the conclusion expressed above, we draw attention to Note 2 in the financial report which indicates that the Company incurred a net loss of \$936,632 for the half-year ended 31 December 2011 and incurred net cash outflows from operations of \$595,869. These conditions, along with other matters set forth in Note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J W Vibert  
Partner - Audit & Assurance

Perth, 15 March 2012