

MT STEWART GOLD LTD

A.B.N. 29 070 859 522

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2005

MT STEWART GOLD LTD

A.B.N. 29 070 859 522

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MT STEWART GOLD LTD
A.B.N. 070 859 522

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30th June 2005.

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

Norman Joseph Zillman
Richard John Haren
Lorraine Jean Zillman
Bruce James Wood

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

The loss of the company for the financial year after providing for income tax amounted to \$108,955.

A review of the operations of the company during the financial year and the results of those operations found that:

The principal activities of the company during the financial year were The exploration for and development of mining prospects

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

No dividends were paid during the year and no recommendation is made as to dividends.

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

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

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

Director
N. J. Zillman
Norman Joseph Zillman

Director
R. J. Haren
Richard John Haren

Dated this *X 19* th day of *March* *X* ~~April~~ *2007*
mbz

MT STEWART GOLD LTD

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2005

	Note	2005 \$	2004 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities		-	-
Other expenses from ordinary activities		(108,954.59)	(270.30)
Profit from ordinary activities before income tax expense	2	(108,954.59)	(270.30)
Income tax expense relating to ordinary activities	3	-	-
Net profit from ordinary activities after income tax attributable to members of the company	4	(108,954.59)	(270.30)
Net increase (decrease) in asset revaluation reserve		-	-
Total changes in equity other than those resulting from transactions with owners as owners		(108,954.59)	(270.30)

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	5	96,529.97	25,019.72
Receivables	6	42,937.16	23,402.00
TOTAL CURRENT ASSETS		139,467.13	48,421.72
NON-CURRENT ASSETS			
Intangible assets	7	1,189.00	1,189.00
TOTAL NON-CURRENT ASSETS		1,189.00	1,189.00
TOTAL ASSETS		140,656.13	49,610.72
CURRENT LIABILITIES			
Payables	8	2,590.24	27,590.24
TOTAL CURRENT LIABILITIES		2,590.24	27,590.24
TOTAL LIABILITIES		2,590.24	27,590.24
NET ASSETS (LIABILITIES)			
EQUITY		138,065.89	22,020.48
Contributed equity	9	248,402.00	23,402.00
Accumulated losses	4	110,336.11	1,381.52
TOTAL EQUITY		138,065.89	22,020.48

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
Cash Flows From Operating Activities		
Payment for Exploration & Administration Costs	(118,489.75)	(270.30)
Net cash provided by (used in) operating activities	(118,489.75)	(270.30)
Cash Flows from Investing Activities		
Payment for Security Deposits	(10,000.00)	-
Net cash provided by (used in) investing activities	(10,000.00)	-
Cash Flows From Financing Activities		
Proceeds on Account, Share Issues	200,000.00	25,000.00
Net cash provided by (used in) financing activities	200,000.00	25,000.00
Net increase (decrease) in cash held	71,510.25	24,729.70
Cash at Beginning of Financial Year	25,021.72	292.02
Cash at end of year	96,531.97	25,021.72

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$

Notes to the Statement of Cash Flows

Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on Hand	2.00	2.00
Cash at Bank	96,529.97	25,019.72

	96,531.97	25,021.72
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Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax Operating profit (loss) after income tax (108,954.59) (270.30)

Non-cash flows in Profit (Loss) from Ordinary Activities:

Changes in Assets and Liabilities:

Decrease (Increase) in Current Receivables	(19,535.16)	(23,400.00)
Increase (Decrease) in Share Issue Account	200,000.00	25,000.00

Cash flows from operations	71,510.25	1,329.70
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The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
A.B.N. 29 070 859 522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2005

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

Mt Stewart Gold Ltd is a company limited by shares, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 1002 : Events Occurring after Reporting Date
AASB 1018 : Statement of Financial Performance
AASB 1025 : Application of the Reporting Entity Concept and Other Amendments
AASB 1031 : Materiality
AASB 1034 : Financial Report Presentation and Disclosures
AASB 1040 : Statement of Financial Position

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

These notes are to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
A.B.N. 29 070 859 522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
	\$	\$
2 Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses:		
Remuneration of auditor	_____	_____
3 Income Tax Expense		
Income tax expense attributable to: Operating profit before income tax	-	-
4 Retained Profits		
Retained profits (accumulated losses) at the beginning of the financial year	(1,381.52)	(1,111.22)
Net profit attributable to members of the company	(108,954.59)	(270.30)
Retrospective adjustment(s) upon introduction of accounting standard(s):	_____	_____
Retained profits (accumulated losses) at the end of the financial year	(110,336.11)	(1,381.52)
5 Cash Assets		
Cash at Bank	96,529.97	25,019.72
6 Receivables		
CURRENT		
Share Allotment Funds Collectible	23,402.00	23,402.00
Other debtors	19,535.16	-
	42,937.16	23,402.00
7 Intangible Assets		
Formation Expenses	1,189.00	1,189.00

These notes are to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
A.B.N. 29 070 859 522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2005

	2005	2004
8 Payables	\$	\$
CURRENT		
Sundry Creditors	2,590.24	2,590.24
Deposits Held for Share Allocation	2,590.24	25,000.00
	<u>2,590.24</u>	<u>27,590.24</u>
9 Contributed Equity		
Paid Up Capital:		
2 A Class Ordinary Shares of \$1	2.00	2.00
26087500 Fully Paid Ordinary Shares	248,400.00	23,400.00
	<u>248,402.00</u>	<u>23,402.00</u>

These notes are to be read in conjunction with the attached compilation report.

MT STEWART GOLD LTD
A.B.N. 070 859 522

DIRECTORS' DECLARATION

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

The directors of the company declare that:

1. The financial statements and notes presents fairly the company's financial position as at 30th June 2005 and are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June 2005 and of its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

.....
Norman Joseph Zilman

Director

.....
Richard John Hain

Dated this

19

th day of

March 2007

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF

MT STEWART GOLD LTD
A.B.N. 070 859 522

Scope

We have audited the financial report, being a special purpose financial report of Mt Stewart Gold Ltd for the year ended 30th June 2005, being the Statement of Financial Performance, Statement of Financial Position, Notes to the Financial Statements and Directors' Declaration. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report have been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC class order 05/83, we declare to the best of our knowledge and belief that the auditors independence declaration has not changed as at the date of providing our audit opinion.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

MT STEWART GOLD LTD
A.B.N. 070 859 522

Audit Opinion

In our opinion, the financial report of Mt Stewart Gold Ltd is in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30th June 2005 and of its performance for the year ended on that date in accordance with accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards, comprising AASB 1025 "Application of the Reporting Entity Concept and Other Amendments" and other Australian Accounting Standards to the extent described in Note 1 and Corporations Regulations; and

(b) other mandatory professional reporting requirements to the extent described in Note 1.

Name of Firm: Ian Young CA

Name of Partner: Ian Young CA

Ian Young
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Dated this 29th day of April 2006

Address: 1/991 Stanley Street, East Brisbane, QLD, 4169