



**CONSOLIDATED GLOBAL INVESTMENTS LIMITED**  
(ABN 97 009 212 293)

**2011 ANNUAL REPORT**

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Corporate Directory

### AUSTRALIAN COMPANY

#### NUMBER:

009 212 293

#### BOARD OF DIRECTORS:

John Palermo

Leigh Anthony Coleman

Paul Anthony Ingram

#### COMPANY SECRETARY:

John Palermo

Level 1

284 Oxford Street

LEEDERVILLE

WESTERN AUSTRALIA 6007

#### REGISTERED OFFICE:

Level 1

284 Oxford Street

LEEDERVILLE

WESTERN AUSTRALIA 6007

Telephone: +61 8 9242 2621

Facsimile: +61 8 9443 9960

#### AUDITOR:

RSM Bird Cameron Partners

8 St Georges Terrace

PERTH

WESTERN AUSTRALIA 6000

Telephone: +61 8 9261 9100

Facsimile: +61 8 9261 9101

#### ASX:

CGI

### SHARE REGISTER:

Advanced Share Registry Ltd

Unit 2

150 Stirling Highway

NEDLANDS

WESTERN AUSTRALIA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

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# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

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## Chairman's Report

On behalf of the Shareholders, I present the Annual Report of the Company for the year ended 30 June 2011.

The year under review evaluated a number of new projects for the Company in areas of interest where the Company has already established a presence. A number of projects were reviewed including projects from overseas however to date none have been advanced.

The year under review also saw the Company enter into discussions and negotiations with the holders of the other part of the Palm Springs tenement in the Halls Creek region and those discussions are ongoing with a view to consolidating the holding or consider a sale and/or acquisition.

The Company will continue to evaluate other projects both in the local areas of interest and also overseas.

On behalf of the Board, I wish to express my appreciation to the shareholders for their patience and look forward to a successful forthcoming year.

Dated this 14<sup>th</sup> day of September, 2011



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**John Palermo**  
**Chairman**

## Review of Operations

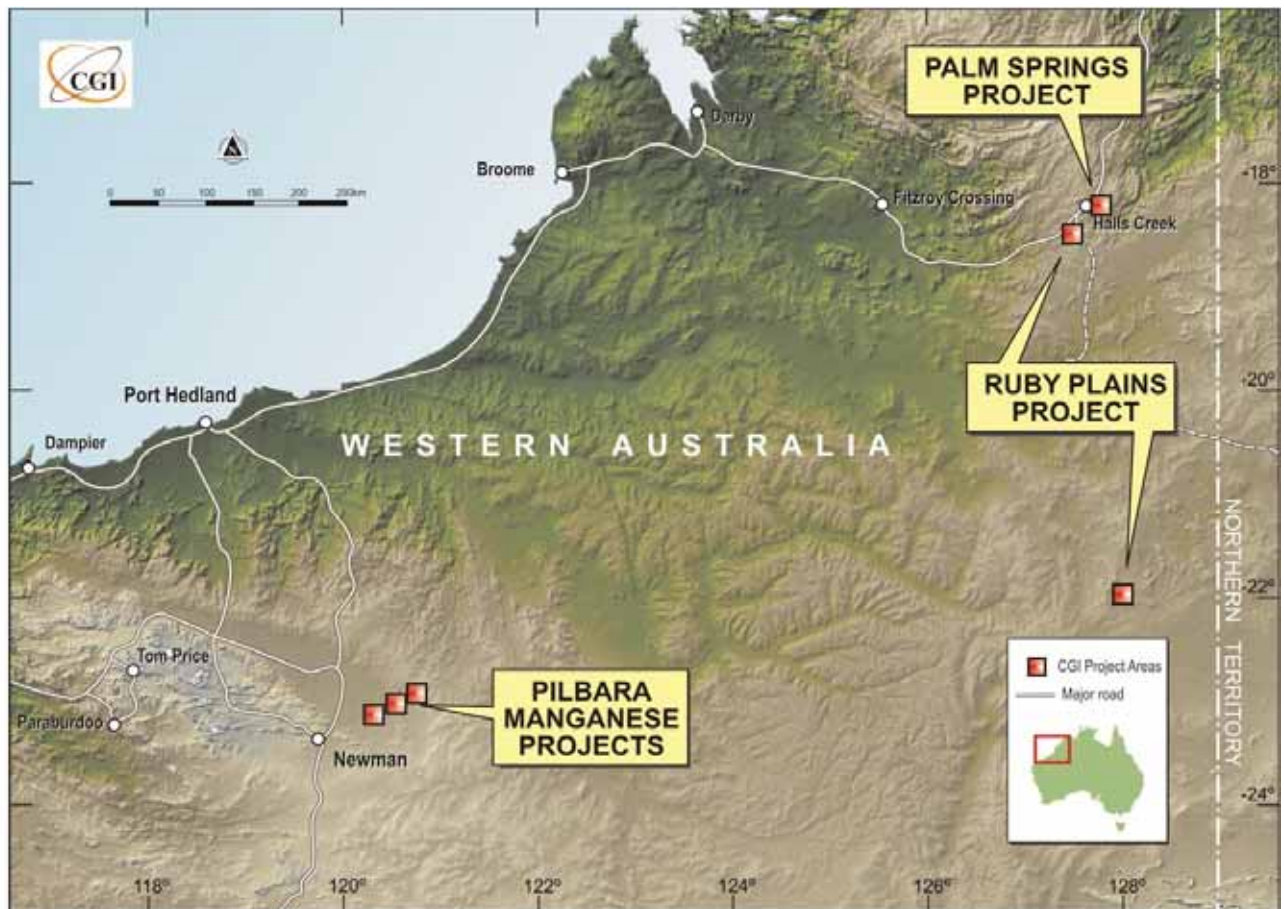
### WESTERN AUSTRALIA

#### Palm Springs-Gold [E80/4033 and P80/1643-1647]

The Palm Springs Project comprises 5 granted prospecting licences (P80/1643-1647) and 1 granted exploration licence E80/4033. The project is centred around the Butchers Creek abandoned open pit located some 35kms south east of Halls Creek. The pit was mined between 1995 and 1997 and by the time production was suspended in June 1997, PMA Gold (PMA) had mined 761,003 tonnes @ 2.09g/t Au (Dept. of Mines, Open File Company Report A54952- December 1997).

The Butchers Creek Open Pit itself is covered by 3 licences, P80/1645 (held by the Company's controlled entity Valley Point Pty Ltd, central pit), with M80/418 and M80/106 held by third party Kimberley Gold Pty Ltd (covering northern and southern ends of pit).

Open file research and acquisition of available geological data sets has been completed. Potential remains for additional mineralisation to be present below the mined deposit and along strike. Evaluation of data and discussions with Kimberley Gold Pty Ltd is ongoing.



**Review of Operations (*continued*)**



Butchers Creek Open Pit

**Ruby Plains-Gold [E80/3819 and E80/3921]**

The Ruby Plains Project comprises 2 granted exploration licences, E80/3819 and E80/3921. The project is located 40kms south of Halls Creek and contains the Blue Hills historic gold deposits and the Ruby Plains historic tungsten deposits. The tenure lies within the Lamboo Complex along the Ruby Queen Shear which hosts gold within multiple quartz veins in Olympia Formation sediments. The Ruby Queen Mine, which has historical gold production of about 22,000 ounces (PMA Gold Ltd – 1994), is located some 10kms along strike to the north-east. Open file research and acquisition and interpretation of available geological and geophysical data sets are in process.

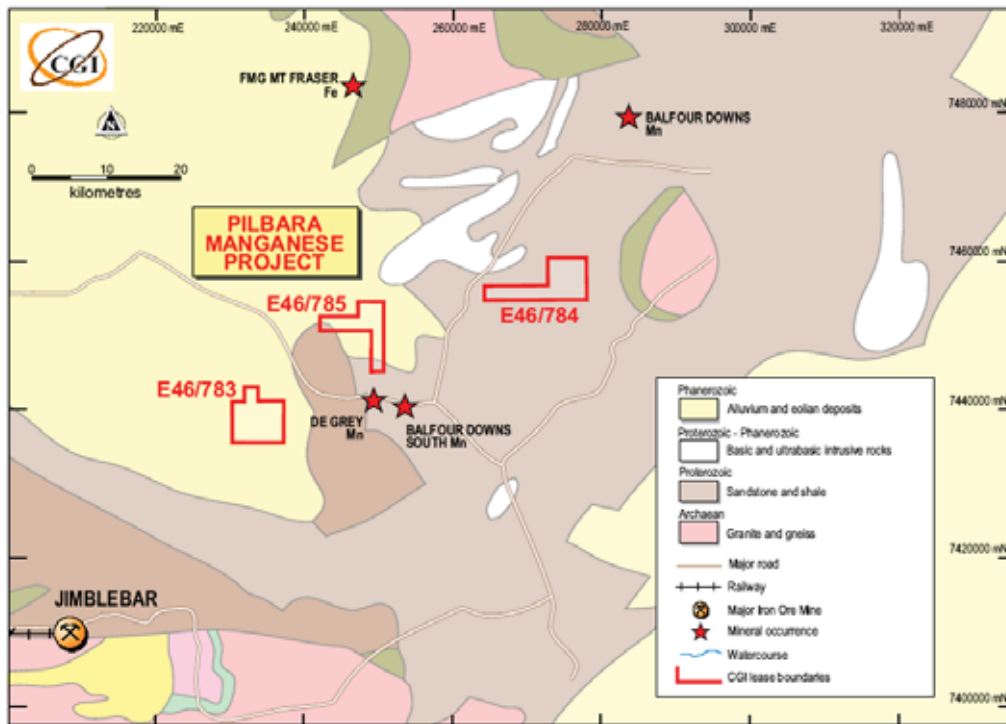
**Review of Operations (continued)**

**Pilbara Project-Manganese [E46/783-785]**

The project comprises of 3 tenements, EL 46/783, EL 46/784 and EL 46/785 which are located some 100kms north-east of Newman and south of the Balfour Downs manganese discovery.

A study of historical exploration for manganese has revealed that little previous work has been conducted on the tenure. However, in 1968 Sentinel Mining Company carried out exploration in the general area of Balfour Downs which resulted in rock chip samples being collected on the southern edge of E46/784 which returned three samples with manganese values of 21.6%, 25.7% and 11.4% Mn within manganese surface enrichment of Balfour Shales.

Field reconnaissance, mapping and surface sampling are planned during the current field season.

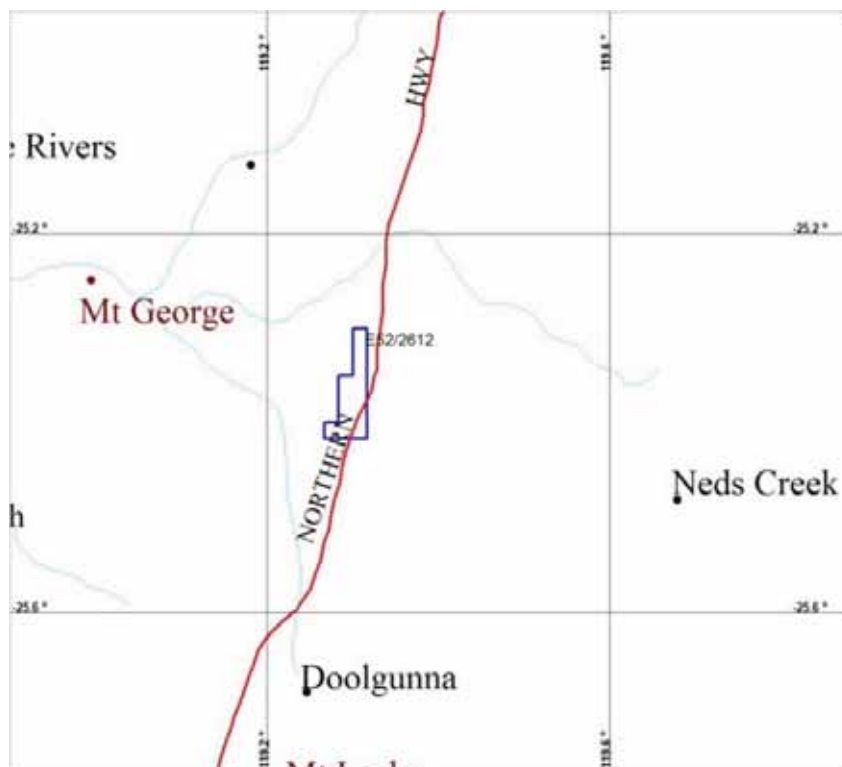


PILBARA MANGANESE PROJECTS, REGIONAL GEOLOGY

**Review of Operations (continued)**

**Doolgunna North-Copper/Gold [E52/2612]**

The Company applied for 1 exploration licence, E52/2612 on 18 August 2010 which remains in application status. The tenement is located 160kms north east of Meekatharra on the Great Northern Highway. The tenement lies 20kms north of Sandfire Resources' Doolgunna Project which includes the DeGrussa VMS (volcanogenic massive sulphides) copper gold resource.



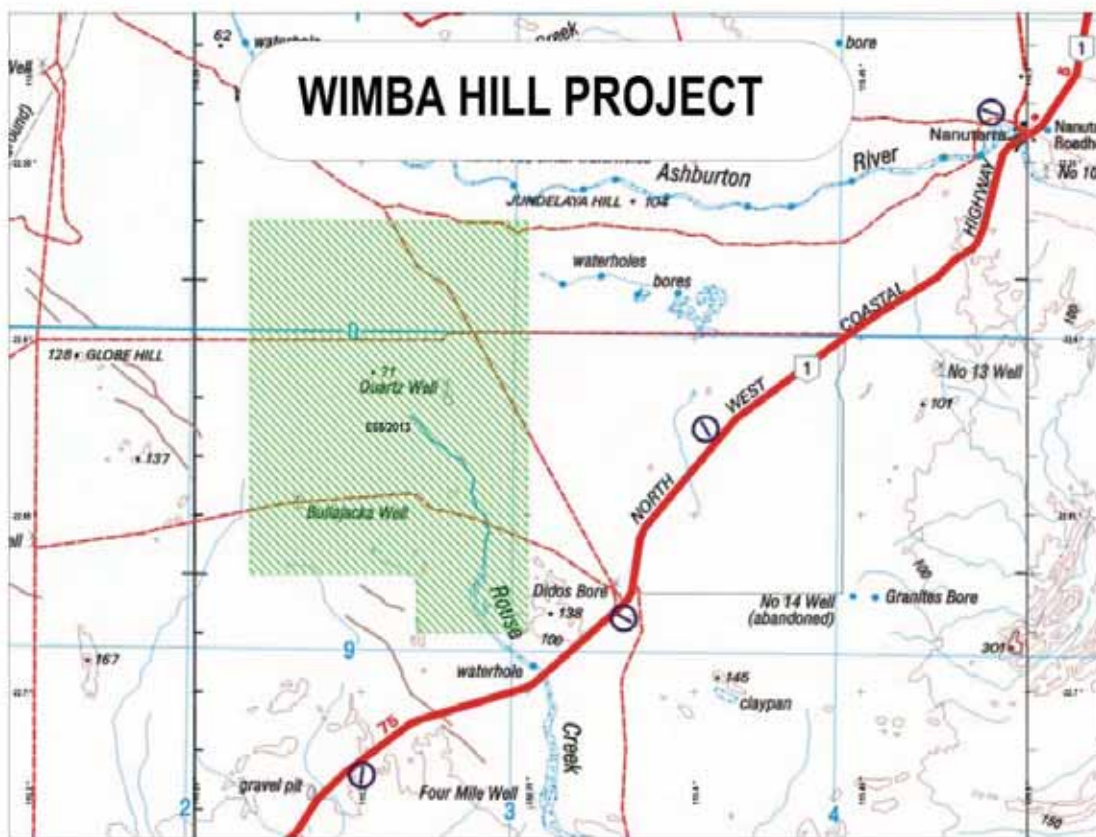
DOOLGUNNA NORTH TENURE

**Review of Operations (continued)**

**Wimba Hill-Copper/Gold [E08/2013]**

The Wimba Hill project lies within the northern Gascoyne Province in the Ashburton Shire and the Ashburton Mineral Field within GSWA 1:250000 mapping sheet of Yanrey. The south eastern corner of E08/2013 lies 20kms south west of Nannutarra road house and a further 4kms west of Didos Bore.

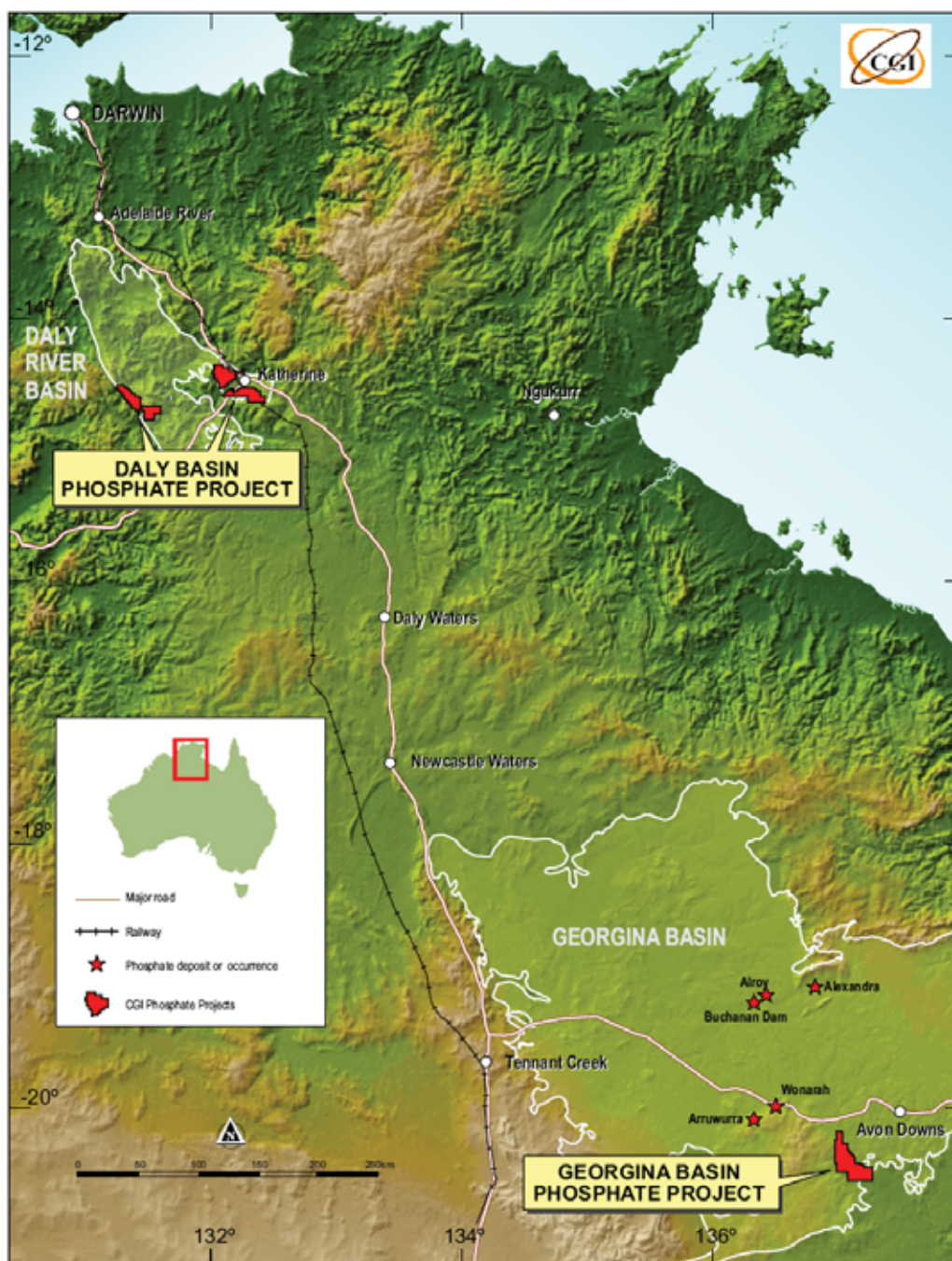
The Wimba Hill project area falls within Myer's (1990) Zone E of the Gascoyne Complex. The local geology comprises a surficial cover (to 20m) of aeolian and alluvial sand obscuring the underlying Proterozoic metasedimentary rocks of the Wyloo Group. The potassium-rich Kilba Granite intrudes this sedimentary pile. This area in the vicinity of the granite- sediment contact has historically been considered prospective for copper-gold mineralisation. Open File research and acquisition of available geological and geophysical data sets have been completed and evaluation is proceeding.



Review of Operations (*continued*)

NORTHERN TERRITORY

The Northern Territory Project comprises of 5 tenements acquired for their potential to host rock phosphate, 4 within the Daly Basin and 1 in the Georgina Basin for a total of some 1,565kms<sup>2</sup>. Both basins contain shallow marine Cambrian sediments prospective for rock phosphate mineralisation. One tenement, EL26897 (Dorisvale), remains ungranted.

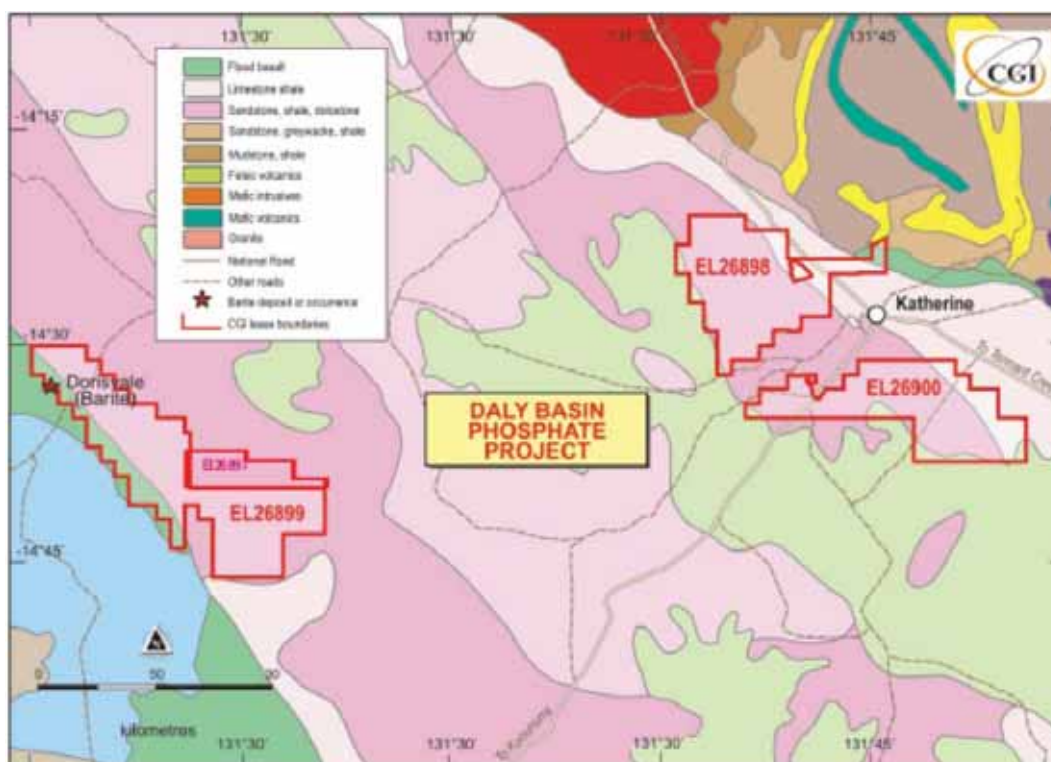


PHOSPHATE PROJECT LOCATIONS, NORTHERN TERRITORY

Review of Operations (*continued*)

Daly River-Phosphate [EL26897-EL26900]

No modern day phosphate exploration has been conducted on any of the leases. Whilst no phosphate deposits have been located within the Daly basin, work carried out during the 1960's indicated that the shallow marine sediments are phosphatic. Open File research and acquisition of available geological and geophysical data sets has been completed. Under the Mining Act of the Northern Territory, a partial relinquishment of 50% of each of the ELs 26898-26900 was required and the less prospective areas of the tenements (totalling 136 blocks) were relinquished accordingly in May 2011.

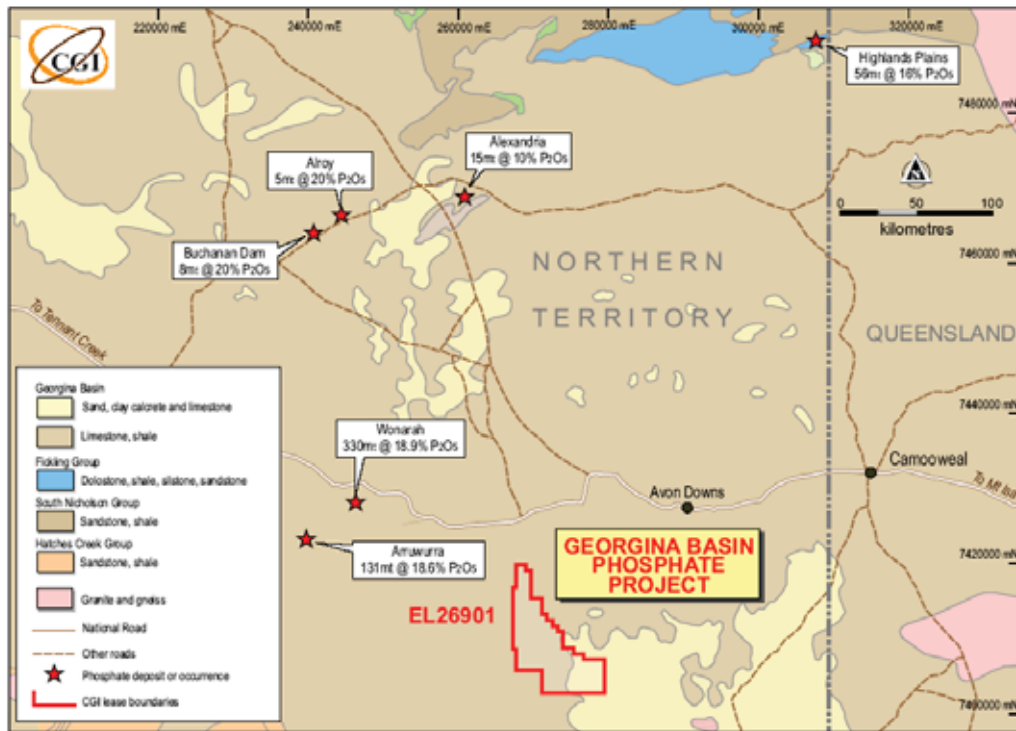


DALY RIVER BASIN PHOSPHATE PROJECT, REGIONAL GEOLOGY

Review of Operations (*continued*)

Georgina Basin-Phosphate [EL26901]

EL26901 lies within the highly prospective Georgina Basin and lies south-south-east of the Alexandria-Alroy-Buchanan Phosphate deposits held by Phosphate Australia and 60kms south-east of the Wonarah-Arruwurra phosphate discoveries owned by Minemakers which contains a JORC & NI43-101 Compliant Inferred Resources at 1,258Mt @ 12% P<sub>2</sub>O<sub>5</sub>.



A review of open file data including topographic, gravity and geophysical data sets has been completed. A topographic high has been identified in the central western part of EL26901 which is largely coincident with outcropping Camooweal Dolstone. Gravity data sets from BMR surveys show a number of gravity highs which are coincident with the topographic high. Various geophysical data sets acquired from NT Geological Survey defined a magnetic high which is also coincident with the topographic and gravity features described. The magnetic intensity suggests that the Middle Cambrian sediments are underlain by possible Antrim Plateau Volcanics which provided an interbasinal ridge for the possible deposition of phosphatic sediments. The coincidence of gravity and topographic highs beneath Middle Cambrian shallow marine sediments provide an excellent target for phosphate mineralisation.

Under the Mining Act of the Northern Territory, a partial relinquishment of 50% of EL26901 was required during the year and the less prospective area of the tenement (totalling 100 blocks) was relinquished accordingly in March 2011.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

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## Review of Operations *(continued)*

### ADDITIONAL ACQUISITION

Other potential projects and opportunities continue to be reviewed.

### TENEMENT SUMMARY (Current)

PROJECT NAME	TENEMENT NUMBER	AREA BLOCK/HA	EQUITY	LOCATION
<b>Daly Basin</b>	EL26897	27	Century Hill Pty Ltd 100%	240kms south of Darwin
	EL26898	40		
	ELA26899	59		
	EL26900	39		
<b>Georgina Basin</b>	EL26901	98	Century Hill Pty Ltd 100%	330kms east of Tennant Creek
<b>Palm Springs</b>	E80/4033	10	Mount Resources Pty Ltd 100%	20-50kms east of Halls Creek
	P80/1643	44	Valley Point Pty Ltd	
	P80/1644	34	Valley Point Pty Ltd	
	P80/1645	5.8	Valley Point Pty Ltd	
	P80/1646	120	Valley Point Pty Ltd	
	P80/1647	8	Valley Point Pty Ltd	
<b>Ruby Plains</b>	E80/3819	32	Mount Resources Pty Ltd	25kms south west of Halls Creek
	E80/3921	70	Mount Resources Pty Ltd	
<b>Doolgunna</b>	ELA52/2612	12	Mount Resources Pty Ltd 100%	18kms south west of Plutonic
<b>Pilbara</b>	EL 46/783	13	Mount Resources Pty Ltd 100%	100kms north east of Newman
	EL 46/784	14		
	EL 46/785	10		
<b>Wimba Hill</b>	EL 80/2013	32	Mount Resources Pty Ltd 100%	40kms south west of Nannutarra Road House on North West Coastal Hwy

### **Competent Person's Statement**

*The information in this release relating to exploration is based on information compiled by Mr B. Townsend who is a member of the Australasian Institute of Mining and Metallurgy AusIMM). Mr B. Townsend is an Independent Geological Consultant to Consolidated Global Investments Limited and consents to the inclusion in this type of report of the information presented. Mr B. Townsend has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

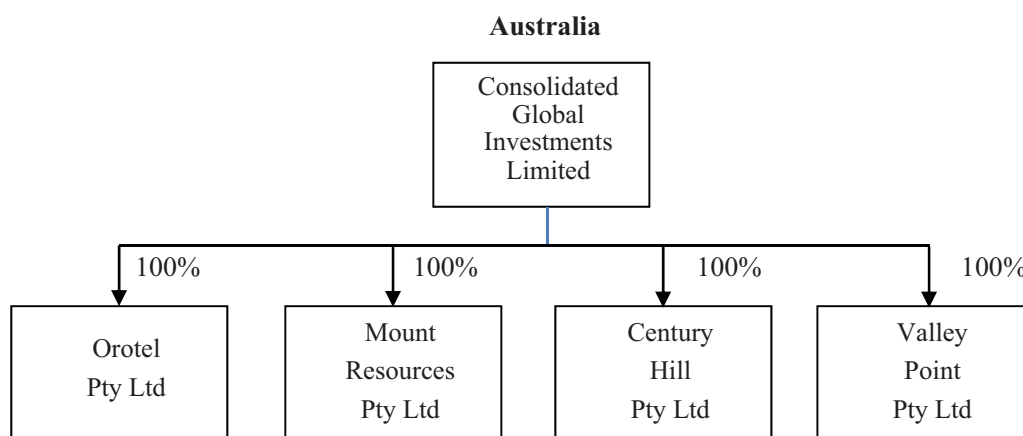
(ABN 97 009 212 293)

## Directors' Report

The directors present their report for the year ended 30 June 2011. This report is made in accordance with a resolution of the board of directors.

### CORPORATE STRUCTURE

Consolidated Global Investments Limited is a company limited by shares and is incorporated and domiciled in Australia. Consolidated Global Investments Limited has prepared a consolidated financial statement incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure:



### DIRECTORS

The directors of the Company in office at any time during the financial year and up to the date of this report are:

John Palermo

Leigh Anthony Coleman

Paul Anthony Ingram

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITY

The principal activity of the Company during the year was mineral exploration.

### OPERATING RESULTS

The consolidated loss for the year after income tax was \$(284,243) (2010: loss of \$105,562).

### DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended that a dividend be paid.

## Directors' Report *(continued)*

### REVIEW OF OPERATIONS

The Company, through its wholly owned subsidiaries Mount Resources Pty Ltd, Century Hill Pty Ltd and Valley Point Pty Ltd, continued its exploration activities.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2011.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company and its controlled entities intend to continue their exploration activities.

### ENVIRONMENTAL REGULATION

The Company has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

### EVENTS SUBSEQUENT TO REPORTING PERIOD

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 significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### INFORMATION ON DIRECTORS

**John Palermo**, B.Bus, ACA, FCPA, JP (Chairman)

Mr Palermo is a Chartered Accountant and a consultant to the Chartered Accounting firm, Palermo Chartered Accountants. He was the Principal of that practice from 1978 to 2006. His main areas of expertise are corporate consultancy services and company administration. During the past three years, Mr Palermo has also served as a director of the following other listed companies:

- Pharmanet Group Limited \*
- Pelican Resources Limited \*
- Gladiator Resources Limited \*

(\* denotes current directorship)

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**Directors' Report (continued)**

**INFORMATION ON DIRECTORS (continued)**

**Leigh Anthony Coleman**, M Bus, Grad Dip Bus Admin

Mr Coleman is responsible for the growth of GTE's business in the Asia Pacific region. He has successfully established partnerships and joint ventures for American, Japanese, Danish, Dutch and Australian companies. Mr Coleman was CEO of a major division for an internationally recognised Dutch public company with substantial operations in the US. Having returned to Australia in 2001, he was CEO of an Australian public company specialising in IP PBX applications and CP equipment before working with GTE. Mr Coleman began his career as an accountant in Australia, completed a Master of Business and lectured in Strategic Management at Curtin University. He has focused on growing companies and international business development since 1986. During the past three years, he has not served as a director of any other listed companies.

**Paul Anthony Ingram**

Mr Ingram has been based in South East Asia for the last 18 years where he has managed several major mineral exploration programs for Menzies Gold Limited. Mr Ingram manages all operations from project assessment to corporate acquisitions and financing and he has conducted project assessments in numerous countries including Australia, Mexico, Greece, Thailand, Laos, China, Malaysia and Myanmar.

In the early 1980s, Mr Ingram was a geological consultant for EMS Pty Ltd, where he advised clients throughout Australia on gold and base metal projects, eventually leading to the establishment of Menzies Gold Limited. He is a member of the Australian Institute of Mining and Metallurgical Society and a Member of the Mining Industry Consultants Association. During the past three years, Mr Ingram has held the following listed company directorships:

- A-Cap Resources Limited \*
- Australian Pacific Coal Limited \*
- Caledon Resources Limited
- Polo Resources Limited
- West Australian Metals Limited

(\* denotes current directorship)

**COMPANY SECRETARY**

**John Palermo**, B.Bus, FCA, FCPA, JP

Mr Palermo has been the Company Secretary of Consolidated Global Investments Limited since 1986. Mr Palermo is a Chartered Accountant and a consultant to the Chartered Accounting practice, Palermo Chartered Accountants. He was the Principal of that practice from 1978 to 2006. His main areas of expertise are corporate consultancy services and company administration.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Directors' Report (*continued*)

### DIRECTORS MEETINGS

The total number of meetings held during the year, including directors' resolutions, and the number of meetings attended and circular resolutions executed by each director were as follows:

	Number Eligible To Attend	Number Attended
John Palermo	12	12
Leigh Anthony Coleman	12	11
Paul Anthony Ingram	12	11

### REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Company.

#### Remuneration policy

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

As well as a base salary, remuneration packages include superannuation.

Executives are also eligible to participate in the Consolidated Global Investments Employee Option Plan. The options are issued in accordance with performance guidelines established by the directors of Consolidated Global Investments Limited. Performance guidelines include criteria relating to profitability, cash flow, share price growth and environmental performance.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's diverse operations.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

The Board undertakes an annual review of its performance against goals set at the start of the year.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Directors' Report (continued)**

**REMUNERATION REPORT (continued)**

**Key management personnel compensation**

Details of the nature and amount of emolument paid for each director of Consolidated Global Investments Limited are set out below:

	<b>Primary Salary &amp; Fees (\$)</b>	<b>Cash Bonus (\$)</b>	<b>Non- Monetary (\$)</b>	<b>Post Employment Super- annuation (\$)</b>	<b>Retirement Benefits (\$)</b>	<b>Equity / Options (\$)</b>	<b>Other Benefits (\$)</b>	<b>TOTAL (\$)</b>
<b>Directors</b>								
<b>Palermo, J: Director (executive)</b>								
2011	59,310	--	--	--	--	--	--	59,310
2010	45,760	--	--	--	--	--	--	45,760
<b>Coleman, L A: Director (non-executive)</b>								
2011	--	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--	--
<b>Ingram, P A: Director (non-executive)</b>								
2011	--	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--	--
<b>Total Directors</b>								
2011	59,310	--	--	--	--	--	--	59,310
2010	45,760	--	--	--	--	--	--	45,760

There are no other specified executives in position of control or exercising management authority during the year ended 30 June 2011.

**Interests in shares and options of the Company**

As at 30 June 2011, the directors' interests in shares and options of Consolidated Global Investments Limited were:

	<b>Number of Ordinary Shares</b>	<b>Number of Options over Ordinary Shares</b>
John Palermo	49,722,185	--
Leigh Anthony Coleman	510,000	--
Paul Anthony Ingram	--	--

**Options issued as part of remuneration for the year ended 30 June 2011**

There were no options issued as part of director remuneration for the year ended 30 June 2011.

## Directors' Report *(continued)*

### REMUNERATION REPORT *(continued)*

#### Employment Contracts of Directors

There are no formalised employment contracts with directors.

#### Service Agreements

##### *Remuneration of Company Secretary*

Mr John Palermo is paid on an hourly basis on normal commercial terms.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, the Company has in the ordinary course of business, paid and/or accrued fees for professional services rendered (as disclosed in Note 17 of the financial statements) to JP Corporate Pty Ltd of which Mr J Palermo is the Principal and director/shareholder respectively. Apart from these items, no director of the Company has received or become entitled to receive any benefit other than:-

1. a benefit included in the aggregate amount of emoluments received or due and receivable as shown in the accounts; or
2. a fixed salary of a full time employee of the Company or of a related corporation.

by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a Company in which he has a substantial financial interest.

### INDEMNIFICATION OF DIRECTORS

During the financial year, the Company indemnified all the directors of Consolidated Global Investments Limited against a liability incurred in their role as directors of the Company, except where:

- a) the liability arises out of conduct involving a wilful breach of duty; or
- b) there has been a contravention of Sections 232 (5) or (6) of the Corporations Act 2003.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 19.

### NON-AUDIT SERVICES

Any non-audit services that may have been provided by the entity's auditor, RSM Bird Cameron Partners, is shown at Note 16. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

**Directors' Report (*continued*)**

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

**CORPORATE GOVERNANCE**

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Consolidated Global Investments Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

Signed in accordance with a resolution of the board of directors.



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**JOHN PALERMO**

**Director**

Perth, 14<sup>th</sup> September 2011

**RSM Bird Cameron Partners**  
8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9111  
www.rsmi.com.au

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Consolidated Global Investments Limited for the year ended 30 June 2011, 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  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 14 September 2011

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CONSOLIDATED GLOBAL INVESTMENTS LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Consolidated Global Investments Limited, which comprises the consolidated statement of financial position as at 30 June 2011, 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 1(a), 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.

Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
ABN 36 965 185 036

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*Independence*

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

*Opinion*

In our opinion:

- (a) the financial report of Consolidated Global Investments Limited 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 2011 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 1(a).

**Report on the Remuneration Report**

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2011. 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 Consolidated Global Investments Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



TUTU PHONG  
Partner

Perth, WA  
Dated: 14 September 2011

## **Directors' Declaration**

In the opinion of the directors:

- a) The financial statements, notes and 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 2011 and of their performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;
- b) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as disclosed in Note 1(a); and
- c) 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 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 2011.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.



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**JOHN PALERMO**

**Director**

Perth, 14<sup>th</sup> September 2011

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Statement of Comprehensive Income  
for the year ended 30 June 2011**

		<b>CONSOLIDATED</b>	
		<b>2011</b>	<b>2010</b>
	<b>NOTE</b>	<b>\$</b>	<b>\$</b>
Revenue	3	242,841	214,418
Depreciation	4(a)	(1,164)	(1,283)
Borrowing costs	4(a)	(36,004)	(36,000)
Administration expenses	4(b)	(122,917)	(67,004)
Auditor's remuneration	4(b)	(20,000)	(18,000)
Company secretarial fees	4(b)	(30,000)	(30,000)
Consultancy fees	4(b)	(64,905)	(48,812)
Diminution in value of loans	4(b)	(19,764)	--
Exploration expenditure written off	4(b)	(192,914)	(79,168)
Legal fees	4(b)	(250)	(419)
Share register maintenance	4(b)	(4,741)	(4,656)
Other expenses	4(b)	(34,425)	(34,638)
<b>Loss before income tax</b>		<b>(284,243)</b>	<b>(105,562)</b>
Income tax	6	--	--
<b>Loss for the year</b>		<b>(284,243)</b>	<b>(105,562)</b>
Other comprehensive income		--	--
<b>Total comprehensive loss for the year</b>		<b>(284,243)</b>	<b>(105,562)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(284,243)	(105,562)
Basic and diluted losses per share (cents per share)	5	(0.36)	(0.13)

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

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Statement of Financial Position  
as at 30 June 2011**

	NOTE	CONSOLIDATED 2011 \$	2010 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	1,465,640	1,499,459
Trade and other receivables	8	78,472	66,625
Other financial assets	9	157,646	187,963
<b>Total Current Assets</b>		<b>1,701,758</b>	<b>1,754,047</b>
<b>Non Current Assets</b>			
Other financial assets	9	50,000	50,000
Plant and equipment	10	1,754	2,918
Mineral exploration and evaluation expenditure	11	--	--
<b>Total Non Current Assets</b>		<b>51,754</b>	<b>52,918</b>
<b>Total Assets</b>		<b>1,753,512</b>	<b>1,806,965</b>
<b>Current Liabilities</b>			
Trade and other payables	12	347,160	220,392
Other current liabilities	13	42,322	20,000
<b>Total Current Liabilities</b>		<b>389,482</b>	<b>240,392</b>
<b>Non Current Liabilities</b>			
Interest bearing liabilities	14	300,000	300,000
<b>Total Non Current Liabilities</b>		<b>300,000</b>	<b>300,000</b>
<b>Total Liabilities</b>		<b>689,482</b>	<b>540,392</b>
<b>Net Assets</b>		<b>1,064,030</b>	<b>1,266,573</b>
<b>Equity</b>			
Issued capital	15	39,450,120	39,368,420
Accumulated losses		(38,386,090)	(38,101,847)
<b>Total Equity</b>		<b>1,064,030</b>	<b>1,266,573</b>

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

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Statement of Changes in Equity  
for the year ended 30 June 2011**

<u>Consolidated</u>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 01/07/2009</b>	39,369,920	(37,996,285)	1,373,635
Total comprehensive loss for the year	--	(105,562)	(105,562)
<b>Transactions with owners recorded directly into equity</b>			
Transaction costs	(1,500)	--	(1,500)
<b>Balance at 30/06/2010</b>	<u>39,368,420</u>	<u>(38,101,847)</u>	<u>1,266,573</u>
<b>Balance at 01/07/2010</b>	39,368,420	(38,101,847)	1,266,573
Total comprehensive loss for the year	--	(284,243)	(284,243)
<b>Transactions with owners recorded directly into equity</b>			
Shares issued during the year	83,200	--	83,200
Transaction costs	(1,500)	--	(1,500)
<b>Balance at 30/06/2011</b>	<u>39,450,120</u>	<u>(38,386,090)</u>	<u>1,064,030</u>

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

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Statement of Cash Flows  
for the year ended 30 June 2011**

	NOTE	CONSOLIDATED	
		2011	2010
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		166,389	--
Payments to suppliers		(360,692)	(127,028)
Interest received		70,535	54,485
Borrowing costs		(36,004)	(36,000)
<b>Net Cash Flows Used In Operating Activities</b>	2(b)	(159,772)	(108,543)
<b>Cash Flows From Investing Activities</b>			
Payments for plant and equipment		--	(1,510)
Payments for exploration expenditure		(116,051)	(31,771)
Proceeds from sale of investments		276,732	258,394
Payments for investments		(138,750)	(308,414)
Loans from/(to) other entities		22,322	(8,639)
<b>Net Cash Flows Provided By/(Used In) Investing Activities</b>		44,253	(91,940)
<b>Cash Flows From Financing Activities</b>			
Proceeds from issue of shares and options		83,200	--
Costs associated with share and option issues		(1,500)	(1,500)
<b>Net Cash Flows Provided By/(Used In) Financing Activities</b>		81,700	(1,500)
Net decrease in cash and cash equivalents held		(33,819)	(201,983)
Cash and cash equivalents held at the beginning of the year		1,499,459	1,701,442
<b>Cash and cash equivalents held at the end of the year</b>	2(a)	1,465,640	1,499,459

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

**Notes to the Financial Statements for the year ended 30 June 2011**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

Separate financial statements for Consolidated Global Investments Limited as the parent entity are no longer presented as a consequence of changes to the Corporations Act 2001, however required financial information for Consolidated Global Investments Limited as the parent entity is included in Note 24.

The significant policies, which have been adopted in the preparation of this financial report, are:

**Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial report was authorised for issue by the Board on 14 September 2011.

The financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

**(a) Statement of Compliance**

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

**(b) Adoption of New and Revised Accounting Standards**

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current financial year.

**Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(c) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by Consolidated Global Investments Limited (parent entity) as at 30 June 2011 and the results of the controlled entities for the year then ended. The effects of all transactions between Consolidated Global Investments Limited and its controlled entities are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for the part of the year for which control exists.

**(d) Income Tax**

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(e) Plant and Equipment**

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

**Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(e) Plant and Equipment (*continued*)**

**Plant and equipment**

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a diminishing value or prime cost method commencing from the time the asset is held ready for use.

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

Plant and equipment	2.5 – 100%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

**(f) Exploration and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

**Notes to the Financial Statements for the year ended 30 June 2011 *(continued)***

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**(f) Exploration and Development Expenditure *(continued)***

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(g) Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

**(h) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property of the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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**Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(i) Cash and Cash Equivalents**

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

**(j) Revenue**

Revenue from the sale of financial assets is recognised upon execution of the contract for sale.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**(k) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(l) Borrowing Costs**

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

**(m) Loss per share**

**(i) *Basic Loss per share***

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of Consolidated Global Investments Limited by the weighted average number of ordinary shares outstanding during the financial year.

**(ii) *Diluted Loss per share***

Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### (n) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### (o) New Accounting Standards issued but not yet effective

At the date of this financial report the following accounting standards, which may impact the Company in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	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 2013	No expected impact on the entity.
AASB 124	<i>Related Party Disclosures</i>	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition	1 January 2011	Disclosure only

The Company has decided against early adoption of these accounting standards.

#### Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company is of the view that there are no critical accounting estimates and judgments in this financial report.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>NOTE 2: NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
Cash balance comprises:-		
Cash on hand	1	1
Cash at bank	169,392	104,458
Cash on deposit	1,296,247	1,395,000
<b>Closing cash balance</b>	<b>1,465,640</b>	<b>1,499,459</b>
<b>(b) Reconciliation of loss for the period to the net cash flows from operations</b>		
Loss for the year	(284,243)	(105,562)
Non-cash items:		
- Depreciation	1,164	1,283
- Exploration expenditure written off	116,051	79,168
- Profit on disposal of investments	(181,315)	(103,918)
- Unrealised (loss)/gain on investments	73,650	(34,025)
Movements in assets and liabilities:		
- Receivables	(11,847)	(35,286)
- Payables	126,768	89,797
<b>Net cash flows used in operating activities</b>	<b>(159,772)</b>	<b>(108,543)</b>

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)

	CONSOLIDATED	
	2011	2010
	\$	\$
<b>NOTE 2: NOTES TO THE STATEMENT OF CASH FLOWS (<i>continued</i>)</b>		
<b>(c) Acquisition of entity</b>		
On 28 October 2010, the Company acquired a wholly owned subsidiary, Valley Point Pty Ltd. Details of this transaction are:		
Purchase consideration:		
- Shares issued to the vendor	52,000	--
Assets and liabilities held at acquisition date:		
- Cash at bank	53	--
- Trade and other receivables	333	--
- Mineral and exploration expenditure	76,863	--
- Other current liabilities	(22,322)	--
- Other	(2,927)	--
	<u>52,000</u>	<u>--</u>

The acquisition of Valley Point Pty Ltd was purchased from a related party of John Palermo on normal commercial terms and conditions no more favourable than those to other parties.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

### **(d) Non-cash investing and financing activities**

The Company issued 600,000 shares with a fair value of \$31,200 as consideration for the acquisition of mining tenements on 28 October 2010.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE</b>		
<b>Revenue from operating activities</b>		
Interest received	80,176	76,475
Proceeds from sale of non current assets	55,000	--
Profit on disposal of investments	181,315	103,918
Unrealised (loss)/gain on investments	(73,650)	34,025
	242,841	214,418
<b>NOTE 4: EXPENSES AND LOSSES/(GAINS)</b>		
<b>(a) Expenses</b>		
Depreciation of plant and equipment	1,164	1,283
Borrowing costs expense		
- Interest expense (other corporations)	36,004	36,000
<b>(b) Significant items</b>		
Loss before income tax includes the following expenses whose disclosure is relevant in explaining the financial performance:		
Administration expenses	122,917	67,004
Auditor's remuneration	20,000	18,000
Company secretarial fees	30,000	30,000
Consulting fees	64,905	48,812
Diminution in value of loans	19,764	--
Exploration expenditure written off	192,914	79,168
Legal fees	250	419
Share register maintenance	4,741	4,656
Other expenses	34,425	34,638
	489,916	282,697

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
<b>NOTE 5: LOSS PER SHARE</b>		
The following reflects the income and data used in the calculations of basic and diluted losses per share:		
Loss for the year	(284,243)	(105,562)
Losses used in calculating basic and diluted loss per share	(284,243)	(105,562)
	<b>Number of Shares</b>	
Weighted average number of ordinary shares used in calculating basic and diluted loss per share:	79,842,277	78,768,304

**NOTE 6: INCOME TAX**

No income tax is payable by the Company as it incurred a loss for tax purposes for the year and has available recoupable income tax losses at balance date. The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating loss. The differences are calculated as follows:

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Loss before income tax	(284,243)	(105,562)
Income tax calculated at 30%	(85,273)	(31,669)
Non allowable expenditure	85,920	25,776
Deferred tax asset (recouped)/not recognised	(647)	5,893
<b>Income tax attributable to operating loss</b>	<b>--</b>	<b>--</b>
Deferred tax asset arising from tax losses not brought to account at reporting date as realisation of the benefit is not regarded as probable. The deferred tax asset not brought to account has been calculated at the company tax rate of 30%.	1,410,615	1,365,560

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)

### NOTE 6: INCOME TAX (*continued*)

The deferred tax asset will only be obtained if:-

- the Company derives future assessable income of a nature and of an amount sufficient to enable the asset to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the asset.

	CONSOLIDATED	
	2011	2010
	\$	\$
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	1	1
Cash at bank	169,392	104,458
Cash on deposit	1,296,247	1,395,000
	<u>1,465,640</u>	<u>1,499,459</u>

### NOTE 8: TRADE AND OTHER RECEIVABLES

Accrued income	34,648	25,007
Bond deposit	9,000	9,000
Goods and services tax on purchases	34,824	20,765
Trade and sundry debtors	--	11,853
	<u>78,472</u>	<u>66,625</u>

Current receivables with a short duration are not discounted and the carrying values are assumed to approximate the fair value.

### Credit Risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**CONSOLIDATED**

**2011                      2010**

**\$                              \$**

**NOTE 9: OTHER FINANCIAL ASSETS**

**CURRENT**

**Financial assets at fair value through profit or loss**

Listed investments at fair value:

Shares in other entities	157,496	161,380
Options in other entities	150	26,583

<u>157,646</u>	<u>187,963</u>
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**NON CURRENT**

**Held to maturity financial assets**

Unlisted investments in other entities

<u>50,000</u>	<u>50,000</u>
---------------	---------------

**NOTE 10: PLANT AND EQUIPMENT**

Plant and equipment at cost	6,465	6,465
Less: accumulated depreciation	(4,711)	(3,547)

Total plant and equipment	<u>1,754</u>	<u>2,918</u>
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Reconciliation of the carrying amount for plant and equipment is set out below:

Carrying amount at beginning of year	2,918	2,691
Additions	--	1,510
Depreciation expense	(1,164)	(1,283)

Carrying amount at end of year	<u>1,754</u>	<u>2,918</u>
--------------------------------	--------------	--------------

**NOTE 11: MINERAL EXPLORATION AND EVALUATION EXPENDITURE**

Balance at beginning of year	--	47,397
Exploration expenditure incurred during year	116,051	31,771
Exploration costs from acquisition of wholly owned subsidiary	76,863	--
Expenditure written off	(192,914)	(79,168)
Balance at end of year	<u>--</u>	<u>--</u>

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: TRADE AND OTHER PAYABLES</b>		
Trade creditors and accruals	347,160	220,392

**Terms and conditions:**

Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the entity. Creditors are paid and cleared in a 30 day cycle. The notional amount is deemed to reflect the fair value.

**NOTE 13: OTHER CURRENT LIABILITIES**

Loans from related parties	42,322	20,000
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**NOTE 14: INTEREST-BEARING LIABILITIES**

Convertible notes – unsecured	300,000	300,000
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**(a) Terms and conditions:**

Issue Date	Amount \$	Interest Rate	Convertible On or Before
20 August 2008	300,000	12% per annum	31 August 2012 <sup>(i)</sup>

The notes are convertible into shares at any time on or before the conversion date at the option of either the Company or the lender.

The notes issued are convertible to shares and options at the option of the holder at the lower of \$0.016 or 80% of the average weighted price of the shares traded on ASX during the five business days before the date on which the notice of conversion is received by the Company.

If the lender has not been repaid and has not converted 30 days prior to the end of the term of the notice, the Company, by issuing a notice to the holder, may convert the notes to shares and options as per the conversion terms and conditions.

If the lender has not converted by the end of the term of the note, the Company must repay the lender.

(i) The convertible notes issued on 20 August 2008 were not converted on 20 August 2010, as they were extended to 31 August 2012.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

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**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 15: ISSUED CAPITAL**

	2011		2010	
	No. Shares	\$	No. Shares	\$
<b>(a) Issued capital</b>				
Ordinary shares fully paid	80,368,304	39,450,120	78,768,304	39,368,420
<b>(b) Movements in shares on issue</b>				
	2011		2010	
	No. Shares	\$	No. Shares	\$
Beginning of financial year	78,768,304	39,368,420	78,768,304	39,369,920
Issued during the year:				
- Acquisition of wholly owned subsidiary on 28 October 2010	1,000,000	52,000	--	--
- Acquisition of mining tenements on 28 October 2010	600,000	31,200	--	--
Less: transaction costs	--	(1,500)	--	(1,500)
End of financial year	80,368,304	39,450,120	78,768,304	39,368,420

**(c) Share Options**

**Options over ordinary shares:**

An employee option plan has been established where directors are issued with options over ordinary shares of Consolidated Global Investments Limited. The options, issued for no consideration are issued in accordance with performance guidelines established by the directors of Consolidated Global Investments Limited. The options are not quoted on the Australian Securities Exchange.

During the year, no options over ordinary shares expired.

During the year, no options over ordinary shares were issued.

During the year, no options over ordinary shares were exercised.

As at 30 June 2011, no options existed over the ordinary shares of the Company.

**(d) Terms and conditions of issued capital**

**Ordinary Shares**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the Company.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)

### NOTE 15: ISSUED CAPITAL (*continued*)

#### (e) Capital risk management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2011 and no dividends are expected to be paid in 2012.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies.

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

#### CONSOLIDATED

2011                      2010

\$                              \$

### NOTE 16: REMUNERATION OF AUDITORS

Amount paid or due and payable to RSM Bird

Cameron Partners for:

- Audit and review services
- Tax services

20,000                      18,000

4,736                              --

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24,736                      18,000

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### NOTE 17: KEY MANAGEMENT PERSONNEL

#### Names and positions of Key Management Personnel in office at any time during the financial year:

John Palermo	Executive director
Leigh Anthony Coleman	Non-executive director
Paul Anthony Ingram	Non-executive director

#### Remuneration Policy

Refer to Remuneration Report, which is included in the Directors' Report.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

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**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 17: KEY MANAGEMENT PERSONNEL (continued)**

**Key Management Personnel Compensation**

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid or payable to the Company's key management personnel for the year ended 30 June 2011.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	<b>CONSOLIDATED</b>	
	<b>2011</b>	<b>2010</b>
	\$	\$
Short term employee benefits	59,310	45,760

**Share Holdings**

<b>2011</b>	<b>Balance 01/07/10 (No. of Shares)</b>	<b>Received Remuneration (No. of Shares)</b>	<b>No. of Options Exercised (No. of Shares)</b>	<b>Net Other Change (No. of Shares)</b>	<b>Balance 30/06/11 (No. of Shares)</b>
J Palermo	49,722,185	--	--	--	49,722,185
L A Coleman	510,000	--	--	--	510,000
P A Ingram	--	--	--	--	--
<b>Total Directors</b>	50,232,185	--	--	--	50,232,185

<b>2010</b>	<b>Balance 01/07/09 (No. of Shares)</b>	<b>Received Remuneration (No. of Shares)</b>	<b>No. of Options Exercised (No. of Shares)</b>	<b>Net Other Change (No. of Shares)</b>	<b>Balance 30/06/10 (No. of Shares)</b>
J Palermo	49,722,185	--	--	--	49,722,185
L A Coleman	510,000	--	--	--	510,000
P A Ingram	--	--	--	--	--
<b>Total Directors</b>	50,232,185	--	--	--	50,232,185

**Options granted as compensation**

There were no options issued as part of director remuneration for the year ended 30 June 2011.

**Options exercised during the year that were granted as compensation in prior periods**

There were no options exercised during the year ended 30 June 2011, that were issued as compensation in prior periods.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 17: KEY MANAGEMENT PERSONNEL (continued)**

**Options Holdings**

<b>2011</b>	<b>Balance 01/07/10 (No. of Options)</b>	<b>Received Remuneration (No. of Options)</b>	<b>No. of Options Exercised (No. of Options)</b>	<b>Net Other Change (No. of Options)</b>	<b>Balance 30/06/11 (No. of Options)</b>
J Palermo	--	--	--	--	--
L A Coleman	--	--	--	--	--
P A Ingram	--	--	--	--	--
<b>Total Directors</b>	--	--	--	--	--

<b>2010</b>	<b>Balance 01/07/09 (No. of Options)</b>	<b>Received Remuneration (No. of Options)</b>	<b>No. of Options Exercised (No. of Options)</b>	<b>Net Other Change (No. of Options)</b>	<b>Balance 30/06/10 (No. of Options)</b>
J Palermo	--	--	--	--	--
L A Coleman	10,000	--	--	(10,000)	--
P A Ingram	--	--	--	--	--
<b>Total Directors</b>	10,000	--	--	(10,000)	--

**Transactions with Key Management Personnel**

Either individually or through companies under his control, Mr J Palermo has received or will receive payment for the provision of administration, public and investor relations, company secretarial and corporate advisory under normal commercial terms and conditions.

The aggregate amount of payments, other than the primary fees disclosed in the remuneration report, for the above mentioned services provided in the ordinary course of business are as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
Other services	35,658	40,971

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 18: CONTROLLED ENTITIES**

The consolidated financial statements include the financial statements of Consolidated Global Investments Limited and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest		Book Value of Shares held by Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Mount Resources Pty Ltd	AUS	100%	100%	1	1
Orotel Pty Ltd	AUS	100%	100%	1	1
Century Hill Pty Ltd	AUS	100%	100%	10,000	10,000
Valley Point Pty Ltd	AUS	100%	--	52,000	--
				62,002	10,002

**NOTE 19: COMMITMENTS FOR EXPENDITURE**

**(a) Tenement expenditure commitments**

In order to maintain current rights of tenure to mining tenements, the Company will be required to outlay in the year ended 30 June 2012 amounts of \$273,300 in respect of minimum tenement expenditure requirements and lease rentals. These non-cancellable obligations are not provided for in the financial statements and are payable as follows:

	2011	2010
	\$	\$
Not later than one year	273,300	50,000
Later than one year but not later than 2 years	273,300	50,000
Later than 2 years but not later than 5 years	819,900	150,000
	<u>1,366,500</u>	<u>250,000</u>

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

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## Notes to the Financial Statements for the year ended 30 June 2011 (*continued*)

### NOTE 20: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is exploration activities relating to minerals within Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located.

Operating revenues of approximately Nil (2010 - Nil) are derived from a single external party.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

### NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire year under review, the Company's policy that trading in financial instruments may be undertaken.

The main risk arising from the Company's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 8 in the case of credit risk and Note 15 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

#### Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Consolidated**

	Weighted Average Effective Interest Rate %		Non Interest Bearing \$		Fixed Interest Rate \$		Floating Interest Rate \$		Total \$	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Financial assets									
- Cash	5.08	5.62	--	--	1,296,247	1,395,000	169,393	104,459	1,465,640	1,499,459
- GST receivable			34,824	20,765	--	--	--	--	34,824	20,765
- Bond deposit			9,000	9,000	--	--	--	--	9,000	9,000
- Accrued income			34,648	25,007	--	--	--	--	34,648	25,007
- Trade and sundry debtors			--	11,853	--	--	--	--	--	11,853
- Other financial assets	12.00	12.00	157,646	187,963	50,000	50,000	--	--	207,646	237,963
<b>Total financial assets</b>			<b>236,118</b>	<b>254,588</b>	<b>1,346,247</b>	<b>1,445,000</b>	<b>169,393</b>	<b>104,459</b>	<b>1,751,758</b>	<b>1,804,047</b>
Financial liabilities										
- Convertible notes	12.00	12.00	--	--	300,000	300,000	--	--	300,000	300,000
- Creditors and accruals			347,160	220,392	--	--	--	--	347,160	220,392
- Loans from other entities			42,322	20,000	--	--	--	--	42,322	20,000
<b>Total financial liabilities</b>			<b>389,482</b>	<b>240,392</b>	<b>300,000</b>	<b>300,000</b>	<b>--</b>	<b>--</b>	<b>689,482</b>	<b>540,392</b>
Net financial (liabilities) /assets			(153,364)	14,196	1,046,247	1,145,000	169,393	104,459	1,062,276	1,263,655

**Interest Rate Sensitivity**

At 30 June 2011, if interest rates had changed by 10% during the entire year with all other variables held constant, profit for the year and equity would have been \$8,017 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% increase sensitivity would move short term interest rates at 30 June 2011 from around 5.08% to 5.59% (10% decrease: 4.57%) representing a 51 basis points shift. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move up than down in the coming period.

Based on the sensitivity analysis, only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

**Liquidity Risk**

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Notes to the Financial Statements for the year ended 30 June 2011 (continued)

### NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	CONSOLIDATED	
	2011	2010
	\$	\$
Contracted maturities of payable at 30 June		
Payables		
- less than 6 months	389,482	240,392
Convertible notes		
- greater than 12 months	300,000	300,000
	<u>689,482</u>	<u>540,392</u>

#### Commodity Price Risk

The Company is not exposed to commodity price risk as the operations of the Company are not yet at the production stage.

#### Foreign Exchange Risk

The Company is not exposed to foreign exchange risk as all transactions of the Company are in Australian dollars.

#### Reconciliation of Net Financial Assets to Net Assets

	CONSOLIDATED	
	2011	2010
	\$	\$
Net financial assets	1,062,276	1,263,655
Property, plant and equipment	1,754	2,918
Mineral exploration and evaluation expenditure	--	--
Net assets	<u>1,064,030</u>	<u>1,266,573</u>

#### Net Fair Values

Financial assets at fair value through profit or loss amounting to \$157,646 at 30 June 2011 (2010: \$187,963) at valued using quoted prices in active markets for that identical asset.

For other assets and liabilities the net fair value approximates their carrying value except for director related receivables which are not interest bearing. The Company has no financial assets where the carrying amount exceeds net fair values at reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### NOTE 22: CONTINGENT LIABILITIES

The directors of the Company are unaware of any existing contingent liabilities.

**Notes to the Financial Statements for the year ended 30 June 2011 *(continued)***

**NOTE 23: EVENTS SUBSEQUENT TO REPORTING PERIOD**

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 significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

**CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES**

(ABN 97 009 212 293)

**Notes to the Financial Statements for the year ended 30 June 2011 (continued)**

**NOTE 24: PARENT ENTITY DISCLOSURES**

**(a) Financial Position**

	2011	2010
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	1,422,944	1,436,037
Trade and other receivables	174,320	154,000
Other financial assets	51,077	40,061
<b>Total Current Assets</b>	1,648,341	1,630,098
<b>Non Current Assets</b>		
Plant and equipment	1,754	2,918
Other financial assets	62,002	10,002
<b>Total Non Current Assets</b>	63,756	12,920
<b>Total Assets</b>	1,712,097	1,643,018
<b>Current Liabilities</b>		
Trade and other payables	338,489	221,232
<b>Total Current Liabilities</b>	338,489	221,232
<b>Non Current Liabilities</b>		
Interest bearing liabilities	300,000	300,000
<b>Total Non Current Liabilities</b>	300,000	300,000
<b>Total Liabilities</b>	638,489	521,232
<b>Net Assets</b>	1,073,608	1,121,786
<b>Equity</b>		
Issued capital	39,450,120	39,368,420
Accumulated losses	(38,376,512)	(38,246,634)
<b>Total Equity</b>	1,073,608	1,121,786

**(b) Financial Performance**

	2011	2010
	\$	\$
Loss for the year	(129,878)	(195,808)
Other comprehensive income	--	--
<b>Total Comprehensive Loss</b>	(129,878)	(195,808)

**(c) Guarantees**

Consolidated Global Investments Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

**(d) Other Commitments and Contingencies**

Consolidated Global Investments Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## ASX Additional Information

### 1. QUOTED SECURITIES

#### (a) ORDINARY FULLY PAID SHARES

##### (i) DISTRIBUTION OF SHAREHOLDERS AS AT 1 SEPTEMBER 2011:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 - 1,000	504	263,004	0.33
1,001 - 5,000	302	681,757	0.85
5,001 - 10,000	108	930,834	1.16
10,001 - 100,000	106	3,295,954	4.10
100,001+	51	75,196,755	93.56
	1,071	80,368,304	100.00

The number of shareholdings held in less than marketable parcels is 967.

##### (ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

NAME	NO. OF SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1. Dolphin Technology Pty Ltd	49,485,000	61.57
2. Monarch Corporation Pty Ltd	10,096,861	12.56
3. Bell Potter Nominees Ltd	916,500	1.14
4. Mr R Roget & Mrs M Roget	850,000	1.06
5. Celtic Capital Pty Ltd	833,000	1.04
6. DF Lynton-Brown Pty Ltd	826,359	1.03
7. Mr M James & Mrs H James	825,259	1.03
8. Primelane Pty Ltd	784,874	0.98
9. First Success Management Ltd	612,710	0.76
10. Mr A Varela	610,001	0.76
11. Reactive Resources Pty Ltd	600,000	0.75
12. ZZ Management Pty Ltd	500,000	0.62
13. Megisti Pty Ltd	500,000	0.62
14. Mr T Hay	495,259	0.62
15. Coastpark Pty Ltd	485,469	0.60
16. Reton Holdings Pty Ltd	450,000	0.56
17. Pentin Pty Ltd	416,500	0.52
18. Trayburn Pty Ltd	408,500	0.51
19. Mr L Cunningham	400,000	0.49
20. Am-Australian Minerals Exploration Pty Ltd	338,331	0.42
	70,434,623	87.64

**ASX Additional Information (continued)**

**1. QUOTED SECURITIES (continued)**

**(iii) VOTING RIGHTS**

No restrictions - on a show of hands every member present in person or by proxy shall have one vote and upon a poll, each fully paid share shall have one vote.

**(iv) SUBSTANTIAL SHAREHOLDERS**

Substantial Shareholders as recorded in the Register of Members as at 1 September 2011;

Name	Ordinary Shares	
	No.	%
Dolphin Technology Pty Ltd	49,485,000	61.57
Monarch Corporation Pty Ltd	10,096,861	12.56

**2. UNQUOTED SECURITIES**

As at 1 September 2011 there were no unquoted securities on issue.

# CONSOLIDATED GLOBAL INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

(ABN 97 009 212 293)

## Corporate Governance Statement

Consolidated Global Investments Limited (“the Company”) is committed to implementing and maintaining the highest standards of corporate governance. The primary responsibility of the Board of the Company (“the Board”) is to represent and advance the Company’s shareholders’ (“the Shareholders”) interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for its employees and monitoring achievement of these goals.

The Company adopts the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* released in 2007 (“the Recommendations”) to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company’s compliance with the Revised Corporate Governance Principles and Recommendations is summarised in the table below:

	ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>		ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>
Recommendation 1.1		✓	Recommendation 4.3		✓
Recommendation 1.2		✓	Recommendation 4.4		✓
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 2.1	✓		Recommendation 5.2	✓	
Recommendation 2.2		✓	Recommendation 6.1		✓
Recommendation 2.3		✓	Recommendation 6.2		✓
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2		✓
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 4.1		✓	Recommendation 8.3		✓
Recommendation 4.2		✓			

<sup>1</sup> Indicates where the Company has followed the Principles & Recommendations and summarised those practices below.

<sup>2</sup> Indicates where the Company has provided an “if not, why not” disclosure below.

In acknowledging the Key Messages of the first review of the corporate governance reporting under the Revised Corporate Governance Principles and Recommendations by ASX Markets Supervision (“ASXMS”), the Company has provided additional disclosure for each of the 27 recommendations. Where the Company has departed from a recommendation, the Company has provided substantive reasons and refers to material containing additional disclosure, as relevant.

The “if not, why not” disclosure of the Company is summarised in the table below:

**Corporate Governance Statement *(continued)***

<b>Recommendation</b>	<b>Explanation of Departure from Recommendation</b>
1.1, 1.2	The Company has not appointed any senior executives (excluding the Company Secretary). Therefore, full disclosure of the functions delegated to senior executives, and the evaluation of executives' performance under Recommendation 1.1 and 1.2 is not required.
2.2	The role of the Chairperson is undertaken by the executive Director who also occupies the role as Company Secretary and acting Chief Executive Officer ("the CEO") and is, therefore, not independent.
2.3	The Company has not appointed a CEO. However, the functions of the CEO are undertaken by the executive Director, who also occupies the roles of Chairperson and Company Secretary.
2.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent nomination committee, or to establish a formal nomination policy.
4.1, 4.2, 4.3, 4.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent audit committee, or to establish a formal audit policy.
6.1, 6.2	Owing to the size and composition of the Board, it is not appropriate to establish a formal policy to promote effective communication with Shareholders and encourage their participation at meetings.
7.2	As the Company has not appointed senior management, the Board assumes responsibility for the design and implementation of risk management and internal control systems.
8.1, 8.3	Owing to the size and composition of the Board, it is not appropriate to establish an independent remuneration committee. Details of the Company's remuneration policy are set out in the Remuneration Report in the Director's Report.

It is noted that as the Company's activities develop in size, nature and scope, the Company's corporate governance policies and processes will continue to be reviewed and improved as resources permit.

**1. BOARD OF DIRECTORS**

**1.1. Role of Board**

The Board is responsible for setting the strategic direction and establishing and overseeing the policies and financial position of the Company, and monitoring the business and affairs on behalf of its Shareholders, by whom the directors of the Company ("the Directors") are elected and to whom they are accountable.

Further, the Board takes specific responsibility for:

- Protecting and enhancing Shareholder value;
- Formulating, reviewing and approving the objectives and strategic direction of the Company;

## Corporate Governance Statement (*continued*)

### 1. BOARD OF DIRECTORS (*continued*)

#### 1.1. Role of Board (*continued*)

- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- Ensuring that adequate internal control systems and procedures (including financial, risk management, occupational health and safety, environmental management systems and procedures) exist and that compliance with these systems and procedures is maintained;
- Identifying significant business risks and ensuring that such risks are adequately managed;
- Appointing Directors to the Board;
- Monitoring and reviewing the performance and remuneration of Directors;
- Monitoring and evaluating the Company Secretary's performance;
- Establishing and maintaining appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Board is responsible for establishing a culture and framework that supports corporate governance, including creating the strategic direction for the Company, establishing goals for employees and the Company Secretary and monitoring the achievement of these goals.

The Company has a formal Board Charter, which is available from the Company on request. In broad terms, the Board is accountable to the Shareholders and must ensure that the Company is properly managed to protect and enhance Shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

As at the date of this Annual Report, the Company has not employed any senior executives; therefore, disclosure under Recommendations 1.2 and 1.3 is not required.

#### 1.2. Terms of Office of Directors

The constitution of the Company ("the Constitution") specifies that one third of the Directors, excluding the Managing Director, shall rotate on an annual basis. It is noted that, as at the date of this Annual Report, the Company has not appointed a Managing Director.

**Corporate Governance Statement (*continued*)**

**1. BOARD OF DIRECTORS (*continued*)**

**1.3. Composition of the Board and Independence**

The Directors in office at the date of this Annual Report are:

<b>Name</b>	<b>Position</b>	<b>Independent</b>	<b>Expertise</b>
Mr John Palermo	Executive Director	No	Refer to Director's Report
Mr Leigh Anthony Coleman	Non-executive Director	Yes	Refer to Director's Report
Mr Paul Anthony Ingram	Non-executive Director	Yes	Refer to Director's Report

The Board considers the majority of Directors to be independent, commensurate with Recommendation 2.1. Mr John Palermo is not considered to be independent, owing to his dual position with the Company as executive Director, Company Secretary and CEO equivalent. Notwithstanding their small shareholdings, Messrs Coleman and Ingram are considered to be independent as they are not substantial shareholders or otherwise related to, or engaged by, the Company in any other capacity.

Owing to the size and structure of the Company, the roles of the Chairperson and CEO equivalent are occupied by the same Director.

The Company has not established a formal policy for the nomination and appointment of Directors. However, the composition of the Board is determined using the following principles:

- The Board comprises three (3) Directors; however, this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
- The Board should comprise Directors with a broad range of expertise.

The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a panel of candidates with the appropriate expertise and experience. Potential candidates are identified by the Board with advice from an external consultant, if necessary. The Board then appoints the most suitable candidate who must stand for election at a general meeting of Shareholders.

**1.4. Monitoring of Board Performance**

In accordance with Recommendation 2.5, the Directors' performance is reviewed by the Chairperson on an ongoing basis. In the event that any Director's performance is considered to be unsatisfactory, that Director will be asked to retire from the Board. The Chairperson's performance is reviewed by the remaining two Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Directors' performance during the course of the year ("the Guidelines"). Those Guidelines include minimum requirements for attendance at all Board and Shareholder meetings, whereby the non-attendance of a Director at more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed.

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**Corporate Governance Statement (*continued*)**

**1. BOARD OF DIRECTORS (*continued*)**

**1.5. Independent Professional Advice**

Each Director has the right, in connection with his/her duties and responsibilities as a Director, to seek independent professional advice at the Company's expense. However, prior approval of the Chairperson is required, which will not be unreasonably withheld.

**1.6. CEO and CFO Attestations**

As at the date of this Annual Report, the Company has not appointed a CEO or chief financial officer ("the CFO"). Due to the size and scale of the Company's operations, these roles are currently performed by the Board, specifically Mr John Palermo who is primarily responsible for financial matters in relation to the Company.

In lieu of the CEO and CFO's attestations, Mr John Palermo certifies to the Board that:

- The Company's financial statements are complete and present a true and fair view, in all material aspects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards ("the Executive Director's Statement"); and
- The Executive Director's Statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating effectively and efficiently in all material aspects.

**2. BOARD COMMITTEES**

**2.1. Nomination Committee**

Owing to its size and composition, the Company has not established a separate nomination committee in accordance with Recommendation 2.4.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for a nomination committee pursuant to Recommendation 2.4.

The Board does not have a separate charter for its nomination and succession planning functions; however, the responsibilities of the Board ordinarily include the nomination functions described in section 1.3 of this Corporate Governance Statement.

**2.2. Audit Committee**

Owing to its size and composition, the Company has not established a separate audit committee in accordance with Recommendation 4.1.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum number recommended for an audit committee pursuant to Recommendation 4.2.

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## Corporate Governance Statement (*continued*)

### 2. BOARD COMMITTEES (*continued*)

#### 2.2. Audit Committee (*continued*)

The Directors are all financially literate. Mr John Palermo - Director, Company Secretary and acting CEO - holds financial qualifications and is a Chartered Accountant. The Directors have, together, accumulated sufficient technical expertise in other directorships to provide valuable insight and technical knowledge, allowing the Board to verify and safeguard the integrity of the Company's financial statements.

Preserving the spirit of Principle 4, the external auditor has full access to the Board throughout the year.

The Board does not have a separate charter for its audit functions; however, the responsibilities of the Board (as set out in section 1.1 of this Corporate Governance Statement) ordinarily include:

- Reviewing internal controls and recommending enhancements;
- Monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- Improving the quality of the accounting function;
- Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by the Company; and
- Liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Board reviews the performance of the external auditors on an annual basis and nomination of auditors is as the discretion of the Board.

#### 2.3. Remuneration Committee

Owing to its size and composition, the Company has not established a separate remuneration committee in accordance with Recommendation 8.1.

The Board considers that the responsibility for the selection and appointment of Directors can be adequately discharged by the Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for an audit committee pursuant to Recommendation 8.1.

The Board does not have a separate charter for its remuneration functions; however, the Board is vested with the responsibility to review remuneration packages and policies (including remuneration, incentives, termination policies and superannuation arrangements) applicable to each of the Directors and the Company Secretary. Remuneration levels are competitively set to attract the most qualified and experienced Directors for the benefit of the Company and Shareholders. The Board obtains independent advice on the appropriateness of remuneration packages.

In making decisions with respect to appropriate remuneration and incentive policies for executive Directors and the Company Secretary, the Board's objectives are to:

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## Corporate Governance Statement (*continued*)

### 2. BOARD COMMITTEES (*continued*)

#### 2.3. Remuneration Committee (*continued*)

- Motivate executive Directors and the Company Secretary to pursue the long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear correlation between key performance and remuneration; and
- Align the interests of key leadership with the long-term interests of the Company's Shareholders.

Shareholder approval is also required to determine the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for non-executive Directors is currently set at \$250,000 per annum. Non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements and are not entitled to participate in equity-based remuneration schemes of the Company.

Full disclosure of the Company's remuneration philosophy and framework, and the remuneration received by Directors in the current period, is set out in the remuneration report, which is contained within the Directors' Report ("the Remuneration Report"). This Remuneration Report clearly distinguishes the remuneration provided for non-executive Directors and executive Directors.

### 3. ETHICAL STANDARDS

The Company has established a formal Code of Conduct ("the Code") as per Recommendation 3.1, which is available from the Company on request.

The Code outlines the Company's expectations of Directors, the Company Secretary and employees and its related bodies corporate in relation to their behaviour and the way business is conducted in the workplace on a range of issues. Directors, the Company Secretary and employees are committed to acting with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Directors, the Company Secretary and employees must conduct themselves in a manner consistent with the expectations of its stakeholders, commensurate with prevailing community and corporate standards, and must take responsibility for upholding the Company's legal obligations. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

### 4. DIRECTORS' DEALINGS IN COMPANY SHARES

The Company has implemented a formal trading policy as required by Recommendation 3.2 entitled *Guidelines for Dealing in Securities*. This policy applies to Directors, the Company Secretary, employees and contractors of the Company, and is available from the Company on request.

In addition, Directors must notify the Australian Securities Exchange of any acquisition or disposal of shares by lodgement of a Notice of Director's Interests. Board policy is to prohibit Directors, the Company Secretary and employees from dealing in shares of the Company whilst in possession of price sensitive information.

## Corporate Governance Statement (*continued*)

### 5. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company has implemented a formal Continuous Disclosure and Information Policy as suggested in Recommendation 5.1, which is available from the Company on request. This policy was introduced to ensure the Company achieves compliance with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

The Board aims to ensure that the Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to Shareholders through:

- The Annual Report which is distributed to all Shareholders;
- Half-yearly reports, quarterly reports and all ASX announcements which are posted on the Company's website;
- The Annual General Meeting and other meetings so called to obtain Shareholder approval for Board action as appropriate; and
- Compliance with the continuous disclosure requirements of the ASX Listing Rules.

The Company's auditor is required to be present, and be available to Shareholders, at the Annual General Meeting.

### 6. RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has a formal privacy policy ("the Privacy Policy"), which is available from the Company on request. The Company is committed to respecting the privacy of Shareholders' personal information. The Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating Shareholders' information and the security of that information.

The Board has not adopted any additional codes of conduct or communications policies to promote effective communication with Shareholders and encourage their participation at general meetings in accordance with Recommendation 6.1. This is because the Board considers, in the context of the size and nature of the Company, that a communications policy would not improve the effective exercise of the Shareholders' rights at general meetings.

Nevertheless, the Company informally adopts several of the suggestions in Recommendation 6, including communicating to Shareholders electronically, and uploading its formal codes and policies to the Company's website.

### 7. RECOGNISE AND MANAGE RISK

Due to the size and scale of the Company and the Board, a separate committee has not been established to oversee risk management. However, the Board has established a formal risk management policy to recognise and manage risk, as recommended by Recommendation 7.1. This risk management policy is available from the Company on request.

**Corporate Governance Statement (*continued*)**

**7. RECOGNISE AND MANAGE RISK (*continued*)**

Risk management is a priority for the Board who remains vigilant in creating a culture, processes and structures directed to optimising the Company's opportunities whilst minimising and managing potential material business risks.

Risk oversight, management and internal control are dealt with on a continuous basis by the Board, with differing degrees of involvement from various Directors and the Company Secretary, depending upon the nature and materiality of the matter.

The Board continuously reviews material business risks to identify whether the system for identifying and reporting risks is being managed effectively. Determined areas of risk which are regularly considered include:

- Performance and funding of research and development activities;
- Budget control and asset protection;
- Status of intellectual property;
- Compliance with government laws and regulations;
- Safety and the environment;
- Continuous disclosure obligations; and
- Sovereign risk.

As the Company has not appointed a CEO (or equivalent) or CFO (or equivalent), an assurance under s295A of the Corporations Act has been made by Mr John Palermo, who performs the function of the CEO for this purpose.

The Annual Report sets out the categories of financial risk applicable to the Company, which are contained in the Notes to the Financial Statements in the Annual Report.