Appendix 4E

ASX Preliminary Final Report

Name of entity:	Heemskirk Consolidated Limited
ABN:	18 106 720 138
Reporting period:	1 October 2012 to 30 September 2013
Previous corresponding period:	1 October 2011 to 30 September 2012

Results for announcement to the market

Results	Current Period $'000	Previous Period $'000	% Change
Revenue from continuing operations	23,990	19,136	25%
Other income/(expense)	(347)	(519)	33%
Loss from continuing operations after tax attributable to members	(3,917)	(3,389)	(16%)
Loss attributable to members	(3,917)	(2,219)	(77%)
Total comprehensive income/(loss)	(3,121)	(2,286)	(37%)

Dividends

No final franked dividend for 2012 was paid during the period.

No dividend has been declared in respect of the 2013 year.

Brief explanation of the figures reported above

The results for the year ended 30 September 2013 incorporates revenue earned from mining operations, profit on sales of equity investments and unrealised equity investment losses. Additional information is available in the Company announcement being released to the ASX following this report.

Financial Statements

Refer to the attached audited Annual Financial Report for the period 1 October 2012 to 30 September 2013 for the following information:

Consolidated Statement of Comprehensive Income
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements

Retained Earnings/(Accumulated Losses)	Current Period $'000	Previous Period $'000	% Change
Accumulated profits/(accumulated losses) at the beginning of the financial period	(55,957)	(53,738)	(4%)
Items credited directly to retained earnings	-	-	0%
Net profit/(loss) attributable to members	(3,917)	(2,219)	(77%)
Dividends provided for or paid	-	-	0%
Retained earnings/(accumulated losses) at the end of the financial period	(59,874)	(55,957)	(7%)

Net Tangible Assets Per Share	Current Period cents per share	Previous Period cents per share	% Change
Net tangible assets per share	15.77	17.77	(11%)

Control Gained Over Entities Having A Material Effect

Not applicable.

Review Of Performance For Period

Refer to the additional information attached.

Compliance Statement

This report is based on financial statements that have been audited.

Signed:

Peter Bird
Managing Director

Date: 26 November 2013

FINANCIAL PERFORMANCE

2013 KEY PERFORMANCE HIGHLIGHTS

- Financing initiatives progressed for the Moberly Frac Sand Project (the Project)
- $1.059 million invested in the Project to the permitted and detailed engineering stage
- Cash and cash equivalents held is $8.502 million
- Value of 15% equity investment in Almonty $5.389 million
- Canada recorded its best annual sales of $23.586 million
- Increased costs at Canada's operations resulted in gross profit reducing by $1.088 million
- $0.673 million in capital expenditure improved safety, efficiency and increased production rates 13%

KEY STRATEGIES

- Enhance the value of Canadian assets
- Obtain appropriate financing to build the Project and develop value options
- Monitor opportunities for gold and copper developments
- Consider bolt-on operations and developments that are synergistic to existing assets

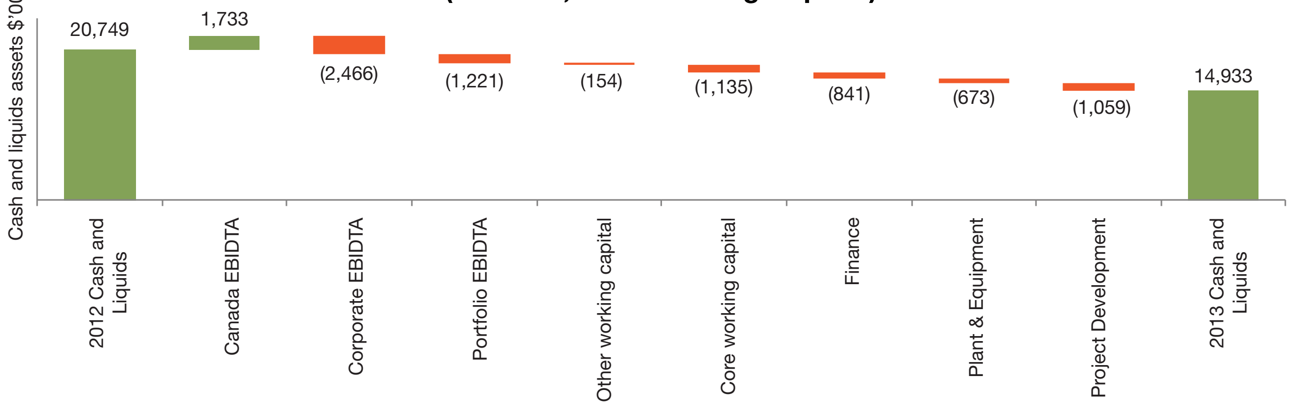
FINANCIAL OVERVIEW

The Company recorded a net loss after income tax of $3.917 million in 2013 compared with $2.219 million for 2012. The increase in net loss after income tax of $1.698 million was principally a result of no contribution from discontinued operations of $1.170 million and gross profits reducing by $1.088 million, offset by tax reducing by $0.418 million.

Net assets totalled $24.297 million compared with net assets of $27.385 million at the end of 2012. The reduction in net assets of $3.088 million is primarily due to the Corporate segment loss after tax of $2.086 million and Portfolio segment loss after tax of $1.221 million.

The Company ended the year with cash and cash equivalents of $8.502 million and $6.431 million in other financial assets, representing total cash and liquid assets of $14.933 million. The movement in cash and liquid assets over the last 12 months is represented in the bridge chart below:

Bridge chart of Heemskirk's 2013 cash and liquid assets (EBITDA[1], Core Working Capital[2])



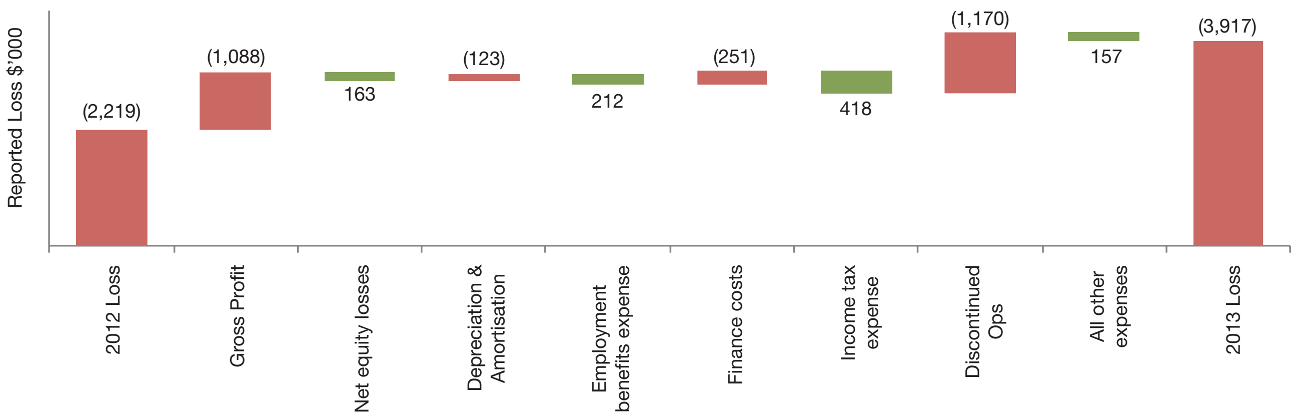
1. EBITDA is defined in note 27 of the Financial Statements. EBITDA is non-IFRS financial information and is based on audited financial information. The Company believes this non-IFRS information is relevant to the users understanding of the results.
2. Core working capital is Trade and other receivables plus Inventories minus Trade and other payables.

FINANCIAL PERFORMANCE

PROFIT DRIVERS (2013 VERSUS 2012)

The following bridge chart summarises the main drivers of the 2013 profit result and is explained in the commentary that follows:

Bridge chart of Heemskirk's 2013 report loss after tax



Gross profit – we had expected gross profit margins to be under pressure but continue at 2012 levels, however, the cost of raw materials was higher than anticipated, contributing to a reduction in gross profit of $0.739 million. Lower cash deposits and interest rates reduced interest received by $0.349 million.

Net equity losses – an unrealised gain on Almonty shares of $0.287 million (offset by Almonty warrant losses of $0.533 million) reduced unrealised losses for the year, offset partially by reduced opportunities for realised gains in difficult resource market conditions resulting in net equity losses reducing by $0.163 million.

Depreciation & amortisation – investment in Canada's safety and plant efficiencies resulted in depreciation charges increasing by $0.123 million.

Employee benefits expense – termination benefits in 2013 of $0.303 million were lower than 2012 termination benefits of $0.510 million, largely driving an employee benefits reduction of $0.212 million.

Finance costs – the development of alternative financing initiatives in relation to the Project increased costs by $0.251 million.

Tax expense – reduced gross profits and increased depreciation from Mining Canada's operations reduced tax expense by $0.418 million.

Profit from discontinued operations – in-transit tungsten inventory for Mining Spain was sold in 2012 and contributed earnings of $1.170 million in that year. This business was sold on 23 September 2011.

OUTLOOK

Oil and gas prices are a key indicator of market conditions for our drilling related products. The West Texas Intermediate oil price prices increased from USD 92.18/bbl in 2012 to USD 102.36/bbl in 2013. Henry Hub gas prices have improved from USD 2.85mBTU in 2012 to USD 3.62mBTU in 2013. These price gains and the activity in relation to Western Canadian petroleum product export initiatives indicate continuing demand for the Company's products and underlying support for the Project. Equally, a deterioration in oil and gas prices could have a material impact on the ability of the Company to execute financing of the Project, reduce demand for products from the Project and materially reduce demand for its existing suite of drilling products.

Canada's earnings are also subject to material influence from the cost of raw materials. Until an alternative source is identified, the risk remains that cost of raw materials could increase and reduce earnings.

Capital expenditure for 2014 is expected to be CAD 0.415 million to continue developing safety and efficiency of Mining Canada's operations. In the event appropriate financing is obtained for the Project, capital expenditure of CAD 26 million will be incurred to develop this valuable asset. Prior to financing, capital expenditure on the Project of CAD 0.222 million is anticipated in 2014 to maintain valid operating permits.

BUSINESS REVIEWS

CANADA

Heemskirk Canada is a wholly owned subsidiary of the Company which has been a producer of industrial mineral products for over 60 years. HCA has an administrative office in Calgary, Alberta and two operations, Lethbridge in Alberta and Moberly (including the Project) in British Columbia. The Project is a frac sand development opportunity to build a circa CAD 26 million processing facility, utilising the Company's silica resources, at an initial capacity of 300,000 tonnes per annum (tpa).

The Company is exploring a variety of funding alternatives for developing the Project to maximise shareholder value. The process to source new finance has taken longer than expected due to capital markets being very conservative in their lending practices following the Global Financial Crisis and equity markets being risk averse to the resource sector. During the year the Company evaluated a number of funding offers, however, the risks and equity markets respectively were not conducive at the time to implement. The value of the Project is significant to shareholders and we are aiming to ensure that they share in this value by finalising a finance package as soon as possible that balances shareholder risks and returns.

Over the year revenue was up 28% from $18.425 million to $23.582 million. Strong market demand increased the value of sales by $2.548 million and product price rises increased revenues by $2.609 million. Revenue was consistent with our expectations of increasing demand and prices for our products for use in longer and deeper unconventional oil and gas wells in the Western Canadian Sedimentary Basin (WCSB).

Segment EBITDA was down 28% from $2.422 million to $1.733 million. We had expected Segment EBITDA to come under pressure, however, the cost of raw materials was higher than anticipated offsetting the growth in revenue. Higher product volumes increased costs by $2.213 million. Increased cost of raw materials from suppliers combined with adverse CAD:USD exchange rates and weather and precautionary maintenance of key process equipment increased costs by $3.633 million.

The higher cost of raw materials continues to encourage the Company to pursue its strategy of identifying a suitable barite resource to own and operate. The current demand outlook for 2014 supports a strong increase in sales volumes and a gradual recovery of Segment EBITDA.

Lethbridge

The Lethbridge operation is a mineral processing facility which takes delivery of barite, gypsum and zeolite ores and beneficiates these with a crushing, grinding and packaging process and then on-sells to customers.

Barite, gypsum and zeolite are all drilling fluid additives used in the oil & gas industry, our products are used primarily in the WCSB and some products are used in agricultural, construction and environmental applications. Barite is a dense naturally occurring mineral commonly used as a weighting agent for all types of oil & gas drilling fluids.

The Company invested CAD 0.589 million (2012: CAD 0.248 million) in safety and productivity improvements. Strong continuing demand for our products encouraged continuation of productivity and efficiency upgrades including mill air flow enhancements increasing productivity rates by 13%. The Company's safety program included the implementation of dust control improvements.

The Company acquired additional barite stocks in August 2013 to meet expected demand in the forthcoming year. This acquisition substantially contributed to increasing Company raw materials inventory to $5.468 million (2012: $4.251million).

Currently the Company does not operate its own primary barite ore source. We are actively seeking to establish direct operation of a primary barite source which will afford us greater flexibility in terms of our pricing and marketing and also will change our risk profile by providing longer term security of supply. The Company refined its preferred barite resource options during the year, including identifying its existing 100% optioned Monitor (Nevada, USA) barite deposit as a key target for drilling. The Company also continues to be in discussions with several parties who have other barite interests in the North Americas.

Canada	2009	2010	2011	2012	2013
Industrial minerals sold (tonnes)	31,161	28,449	60,583	68,324	77,773
Segment revenue[3] (A$m)	10.718	13.164	14.305	18.425	23.582
Segment revenue per tonne sold (A$/t)	344	463	236	270	303
Segment EBITDA[4] (A$m)	0.086	1.310	1.528	2.422	1.733
Segment EBITDA as a percentage of Segment revenue	1%	10%	11%	13%	7%

3. Segment Revenue is per note 27 of the Financial Statements.
4. Segment EBITDA is per note 27 of the Financial Statements.

BUSINESS REVIEWS

Moberly

Overview

The Company invested CAD 1.110 million (2012: CAD 2.349 million) in advancing the Project, bringing the total cumulative exploration and evaluation expenditure on the project since inception to CAD 4.908 million (2012: CAD 3.798 million). Minor capital works of CAD 0.038 million (2012: nil) were incurred to maintain the Project site.

Expenditure on the Project related to completion of detailed engineering drawings and specifications to 90-95% of requirements, permit qualification, site preparation, project management and quotation preparation. Subject to finance, the Project is ready to proceed to the next stage.

Background

The proposed Project is located adjacent to the Trans-Canada Highway and Canadian Pacific Rail Mainline near Golden, British Columbia, Canada. It is also within 12 hours trucking time to targeted market areas which extend from southern Saskatchewan (Bakken Basin) to northeast British Columbia (Horn River Basin).

Frac sand is manufactured from naturally occurring, high quality, very low impurity quartz sand via a crushing, benefication, washing and sizing process. Frac sand is used in the oil & gas sectors to facilitate well productivity – chiefly the unconventional tight gas and shale gas industry.

Resources of silica at the Moberly silica mine were reported as at 30 June 2013. Contained within a Measured and Indicated Resource of 43 million tonnes of silica suitable for glass manufacturing, cement additives and traditional and related uses, is an estimated Measured and Indicated Resource of 32.4 million tonnes of which approximately 64% is frac sand. The host silica unit extends well beyond the current resource boundary, especially along strike to the south-east.

Of note, the 2013 Reserve and Resource reports Silica Frac Reserves as 13.5 million tonnes (as reported on 1 November 2013). The reserves provide high confidence to develop the Project.

Due to oil & gas demand exceeding supply from conventional reservoirs, attention has shifted in recent years to the exploitation of less permeable basins. This has been facilitated by the rapid improvement in horizontal drilling and frac technology. As a result, the demand for frac sand continues to grow.

Production

The initial 300,000tpa plant design as proposed will allow for all year round processing of feedstock and the production of frac sand for the Western Canadian Sedimentary Basin (WCSB) energy projects.

Production of 20/40, 30/50, 40/70 and 100 mesh[5] products may be delivered to customer facilities from the plant by rail or road transport. The plant has a flexible design to adapt to changes in product requirements and utilises energy efficient technology wherever possible.

The samples produced from the design flowsheet exceed the technical requirements for frac sand crush and conductivity performance for all the potential customers with whom the Company has held preliminary discussions. The frac sand produced would be suitable for the use in oil & gas wells within any basin at pressures up to 6000 psi and well depths greater than 2,500m. The Project sample product meets or exceeds the performance characteristics of material from other current domestic producers.

Both road and rail transport infrastructure is immediately adjacent to the process facility (see figure 2, items 11 and 12).

Overall demand in the region remains positive with estimated frac sand consumption now at 2.5 million tpa. Longer term projections as unconventional basins begin to move to production from exploration are significantly greater. Given the high demand in the region and initial estimated production rates from the Moberly facility (300,000 tpa), we do not expect to impact negatively the sector's supply to demand balance.

Markets

The WCSB extends from the Southern portion of Alberta to Northern British Columbia over an area exceeding 1.4 million square kilometers. From a logistics and infrastructure standpoint, the Moberly facility is exceptionally well located at the approximate midpoint of this region.

5. A description of sand size referring to the number of openings per inch of sieve mesh.

BUSINESS REVIEWS

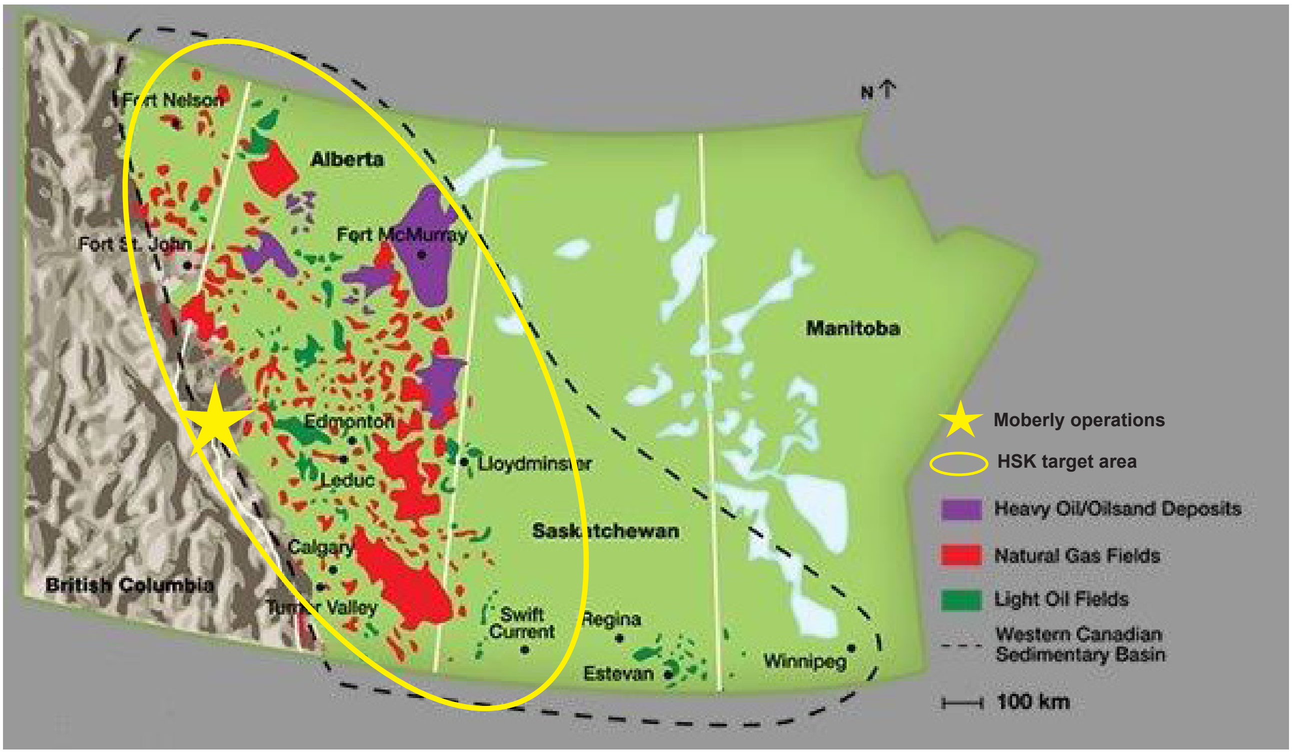


FIGURE 1: MOBERLY LOCATION IN THE WCSB - NORTH AMERICAN AREAS OF USE

Key project financials

- The current estimate of the Project Capital Cost is CAD 26.2 million was reconfirmed during the year by the project engineers, Maple Reinders, including CAD 2 million in contingencies.
- The Project is designed to produce approximately 300,000 tonnes of saleable frac sand per annum. The design allows for expansion as demand is expected to exceed the initial capacity.
- According to current model assumptions, the Project generates free cash flow (undiscounted) after tax and capital of approximately CAD 180 million over 20 years at current frac sand prices.
- The Project achieves an estimated after tax internal rate of return of 32% and CAD 65 million net present value.
- The payback period from the start of production is approximately 3 years.
- Time to completion of construction and plant commissioning is estimated to be 9-12 months from completion of financing.

Ancillary works completed

- All critical path predevelopment permits have been granted, including a permit for mining volumes up to 400,000 tonnes per annum.
- Haul road improvement design work is complete.
- Two water bores at the plant site have been tested and, based on hydrologists' estimates, will be able to supply sufficient make up water during winter for the plant.
- Ore sufficient for commissioning has been hauled to the plant site.
- Multiple technical (product performance) approvals from the target customer base have been received.

BUSINESS REVIEWS

Financing Process

MNP Corporate Finance Inc., a subsidiary of MNP LLP, one of Canada's largest chartered accountancy and consulting firms, is assisting the Company to source funds from third party and/or institutional lenders to facilitate development of the Project.

The Company received a debt finance offer at the end of January 2013 and other financing alternatives continue to be presented. The Company is continuing to evaluate these offers and alternatives to ensure that the final financing decision is in the best interests of shareholders, however, there is a risk that financing cannot be sourced.

Project Summary

The commercial assessment is based on development of a project to service the WCSB particularly in British Columbia and Alberta. The Company's access to rail capability also would facilitate easy access to the US market if required.

Sale prices for frac sand are based on current pricing levels in Western Canada. These prices range from CAD 140-210 per tonne. This includes the transport cost based on the likely transload destinations for supply of the Project's products. The capital expenditure estimate is based on the redevelopment of the current Moberly site and some minor haul road refinements.

The work completed since November 2011 has been undertaken by the Company's operations management team, along with a group of well credentialed consultants from the frac sand, engineering, project management, environmental consulting, hydrology and process equipment industries.

The work includes assumptions based on current pricing, cost estimates, interest rates and oil & gas industry trends. These may change over time and there is a risk that the project may not proceed.

FIGURE 2: LAYOUT OF PROPOSED PLANT AT EXISTING MOBERLY PLANT SITE

BUSINESS REVIEWS

PORTFOLIO

From time to time the Company has undertaken investments in both listed and unlisted companies in the resource industry. This allows us to gain good geological and geographical reach and foster key strategic relationships in this industry. The portfolio holdings remained largely unchanged during the year.

During the year the Company restructured its Portfolio activities and incurred termination benefits of $0.303 million (2012: nil), this was the principal increase to the Segment EBITDA loss of $1.221 million (2012: $0.954 million). Difficult market conditions in the resources sector limited realised gains to $0.042 million (2012: $0.181 million).

Segment assets held as at 2013 totalled $6.353 million (2012: $7.087 million), the reduction primarily arising from the decline in the fair value of warrants held for Almonty Industries Inc (Almonty). The Company holds 3.70 million warrants at CAD 1.25 per share to buy an additional 7.5% equity in Almonty and these are fair valued at $0.663 million (2012: $1.196 million), a reduction of $0.533 million (2012: $0.488 million). The Company's right to exercise these warrants expires on 23 September 2014.

The Company continues to hold 15% of Almonty (TSXV: AII), the tungsten company that acquired the Company's Los Santos Tungsten Project in 2011. The share price closed the year at 0.97 (2012: 0.92) increasing the value of this investment during the year by $0.287 million (2012: $0.368 million reduction) to $5.389 million (2012: $5.102 million).

Future Portfolio performance is dependent on individual company performance and overall market conditions.

Portfolio	2009	2010	2011	2012	2013
Segment assets (A$m)	1.097	0.335	7.780	7.087	6.353
Segment revenue (A$m)	(0.336)	0.330	(0.016)	(0.591)	(0.428)
Segment realised gains on equity investments (A$m)	0.535	0.178	0.412	0.181	0.042
Segment EBITDA (A$m)	not reported[6]	(0.314)	(0.626)	(0.954)	(1.221)
Segment realised gains on equity investments as a percentage of Segment assets	49%	53%	5%	3%	1%

CORPORATE

The restructuring from the previous year contributed to a reduction in Corporate segment costs of $0.605 million (2012: $0.176 million) for the year down to $2.879 million (2012: $3.484 million). Corporate segment costs were expected to reduce to approximately $2.500 million in 2013, however, corporate initiatives in relation to barite resource evaluations and Project financing activities resulted in a total of $2.879 million. The outlook, subject to corporate initiatives, is for corporate segment costs to reduce to approximately $2.400 million in 2014.

Finance costs for the year were $0.772 million (2012: $0.521 million), an increase of $0.251 million. The increase principally resulted from corporate initiatives to progress financing for the Project.

Corporate	2009[7]	2010	2011	2012	2013
Segment revenue (A$m)	-	0.226	0.836	0.760	0.413
Segment costs (A$m)	-	9.359	3.660	3.484	2.879
Segment EBITDA (A$m)	-	(9.133)	(2.824)	(2.724)	(2.466)
Segment revenue as a percentage of Segment assets	-	1%	4%	6%	5%

LOOKING TO 2014

We are looking to 2014 with ongoing commitment to develop the Company and create value for shareholders. Subject to appropriate financing, our primary goal will be developing the Project. In addition we will pursue new opportunities to grow shareholder value by targeting resource companies with assets in gold, copper and industrial minerals.

6. The year ended 30 September 2009 did not separate Portfolio and Corporate segments.
7. The year ended 30 September 2009 did not separate Portfolio and Corporate segments.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Your Directors submit their report for the period 1 October 2012 to 30 September 2013.

DIRECTORS AND DIRECTORS' PROFILES

The names and details of the Directors of the Company in the office during the financial year and until the date of this report are:

Graham Lenzner, Non Executive Chairman

Peter Bird, Managing Director

Garry Cameron, Non Executive Director

William A (Lex) Hansen, Non Executive Director

John Taylor, Non Executive Director

The Directors' qualifications, experience and special responsibilities are disclosed below.

Graham Lenzner

BEc, FAICD

Non Executive Chairman

Graham has now had a career spanning four decades with particular involvement in funds management and financial markets. Additionally he worked as an executive for some years in the insurance, building products and construction industries.

He was an Executive Director of the Armstrong Jones Group for 12 years, the last four as Joint Managing Director. Previous roles include Finance and Deputy MD of Aquila Steel and GM Finance and Investments of MMI Insurance Ltd.

Graham has served on the Board of a number of public and private companies. He is Chairman of Device Technologies Australia Ltd, a Director of 360 Capital Group Limited and former Chairman of Aevum Limited.

Graham joined the Board of Heemskirk as Chairman on 24 February 2011 and is a member of the Remuneration & Nomination Committee.

Peter Bird

BSc(Hons), MAICD, AFin

Managing Director

Peter has worked in the resource industry for over 20 years. He brings operational and corporate experience combined with a strong understanding of company analysis and global investment markets.

Peter is a geologist and has held technical, management, investment and human resource positions with major companies such as Western Mining Corporation Limited, Merrill Lynch Equities and Newmont Mining Corporation and executive positions with Normandy Mining Limited and Newcrest Mining Limited. Peter is Non Executive Chairman of Excelsior Gold Limited.

Peter is a Founding Director of the Company and was appointed Managing Director on 1 December 2011.

Garry Cameron PSM

BBus(A/c,) BEc(Hons), MEc, FAICD, FCPA

Non Executive Director and Chairman of the Audit & Risk Committee

Garry was Managing Director of a listed property group for 10 years and prior executive roles include Executive Director Finance for Telstra. He is currently a Non Executive Director with ANZ Specialised Asset Management and Molopo Energy Limited. The ANZ roles over the past seven years have been in funds management of energy and infrastructure projects particularly focused on large coal, gas and biofuels projects from exploration to delivery.

Garry was recognised in 1992 on the Australia Day Honours list for his contributions to the Finance and Telecommunications industries.

Garry is Chairman of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee. He joined the Board on 24 February 2011.

William A (Lex) Hansen

BSc, MBA, FAusIMM, FAICD

Non Executive Director

Lex has more than 45 years' experience within the mining industry. He was an Executive Director of Corporate Finance (Mining) at HSBC Bank Australia Limited with regional responsibility for resources debt and equity investment appraisals and underwriting transactions.

Lex was a Director and Partner of share-broking firm Roach & Co. Prior to that, he held technical and finance positions with CSR Limited, Tenneco Corp and Utah Development Company. Lex has been a Non Executive Director of Endocoal Limited and was previously a Non Executive Director of Platinum Australia Limited.

Lex is a member of the Audit & Risk Committee and the Remuneration & Nomination Committee. He joined the Board on 1 March 2004.

John Taylor

BE(Chem), MBA, FIChemE.

Non Executive Director and Chairman of the Remuneration & Nomination Committee

John Taylor was Managing Director of Outotec Australasia Pty Ltd (previously Outokumpu Technology and prior to that, Lurgi Australia). He has held senior positions in

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

management, process engineering and plant construction, primarily in the mining, minerals processing and environmental sectors.

John is a Non Executive Director of KGL Resources Limited and was previously a Non Executive Director of listed companies Ticor Ltd, Environmental Group Ltd and Ausmelt Limited.

He is a part time consultant to Outotec South East Asia Pacific.

John joined the Board on 9 May 2011. He is a member of the Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee.

Stephen Gray

BBus, GDip(BusAdmin), GDip(CorpGov), CPA, ACSA

Financial Controller & Company Secretary

Stephen has over 30 years' operational and corporate financial experience in Australia and overseas with a broad background in utilities, retail, mining and hospitality industries. Prior to joining the Company, Stephen was employed in a variety of senior financial positions within Western Mining Corporation, Taverner Hotel Group and Western Power.

Stephen is also a Chartered Secretary specialising in corporate governance, risk management and compliance.

DIRECTORS' SHAREHOLDINGS AS AT THE DATE OF THIS REPORT

Directors	Ordinary Shares	Class A$0.25 Partly Paid Ordinary Shares	Class B $0.50 Partly Paid Ordinary Shares	Unsecured Convertible Notes
Peter Bird	5,952,659	-	-	-
Garry Cameron	175,000	-	-	-
William A (Lex) Hansen	268,466	100,000	500,000	-
Graham Lenzner	900,000	-	-	-
John Taylor	500,000	-	-	-

DIRECTORS' MEETINGS

Attendance at Board and Committee meetings throughout the year is tabled below.

A Number of meetings held during the time the Director held office during the period

B Number of meetings attended

C Number of meetings attended by invitation

Director	Board Meetings		Audit & Risk Meetings			Remuneration & Nomination Meetings		
	A	B	A	B	C	A	B	C
Graham Lenzner	11	11	3		3	4	4	
Garry Cameron	11	11	3	3		4	4	
William A (Lex) Hansen	11	11	3	3		4	4	
John Taylor[1]	11	11	3	3		4	2	2
Peter Bird	11	11	3		3	4		2

1. John Taylor became a member and Chairman of the Remuneration & Nomination Committee on 29 January 2013. He attended the Remuneration & Nomination Committee meetings by invitation prior to 29 January 2013.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

PRINCIPAL ACTIVITIES

The Company's principal activities during the year were industrial minerals exploration, evaluation, development, production and marketing and corporate investments in the resource industry.

CONSOLIDATED RESULTS

The Company recorded a net loss after income tax of $3.917 million in 2013 compared with a net loss of $2.219 million for 2012.

REVIEW OF OPERATIONS

A review of operations of the Company during the financial year and the results of those results are set out on pages 1 to 7.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The review of operations (pages 1 to 7) sets out a number of matters which have had a significant effect on the state of affairs of the Company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances which have arisen since 30 September 2013 that have significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

In general terms, the review of operations of the Company gives an indication of likely developments and the expected results of the operations. In the opinion of the directors, disclosure of any further information would likely result in unreasonable prejudice to the Company.

ENVIRONMENTAL COMPLIANCE

The Company holds licences issued by the relevant environmental protection authorities of the various countries in which the Company operates. These licences specify limits and regulate the management of mining and processing operations.

The Company has permits to enable the Moberly Frac Sand Project to proceed and these are being progressively amended as required to maintain compliance, no material issues have arisen to date.

There have been no significant known breaches of the Company's licence conditions.

DIVIDENDS

During the year, no dividends were paid in respect of the 2012 year.

No dividend has been declared in respect of the 2013 year.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Remuneration Report (Audited)

Introduction

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations for the year ending 30 September 2013.

For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Parent Company.

For the purpose of this report, the term 'executive' encompasses the Managing Director, Senior Executives, General Managers and Secretaries of the Parent Company and the Company.

Non-Executive Directors (NEDs)	
Graham Lenzner	Chairman (non-executive)
Garry Cameron	Director (non-executive)
William A (Lex) Hansen	Director (non-executive)
John Taylor	Director (non-executive)
Executive Director	
Peter Bird	Managing Director
Other KMP	
Mark Flook	Executive General Manager – Investments – retired 31 July 2013
Stephen Gray	Company Secretary and Financial Controller
Alan Minty	President Heemskirk Canada

REMUNERATION GOVERNANCE

Remuneration & Nomination Committee (RNC)

This Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for the directors and executives and comprises three independent Non-Executive Directors (NED's). The RNC assesses the appropriateness of the nature and amount of remuneration of KMP on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executive team.

The RNC meets regularly throughout the year. The Managing Director attends certain committee meetings by invitation where management is required. The Managing Director is not present during any discussions related to his own remuneration arrangements.

Use of remuneration consultants

To ensure the RNC is fully informed when making remuneration decisions, it seeks external remuneration advice.

New legislation was introduced in 2011 that impacts how companies can seek advice which includes a remuneration recommendation in relation to KMP remuneration. Therefore, in 2012 the Board underwent a formal appointment process and Mercer Australia was appointed as the remuneration advisor to the Company.

In order to ensure the RNC is provided with advice, and as required, remuneration recommendations, free from undue influence by members of the KMP to whom the recommendations may relate, the engagement of Mercer by the RNC was based on an agreed set of protocols that would be followed by Mercer, members of the RNC and members of KMP.

No remuneration recommendations were provided during the 2013 year.

Approach to setting remuneration

In 2013, the executive remuneration framework consisted of fixed remuneration and short and long-term incentives as outlined.

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and aligned with market practice.

Non Executive Directors Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Fees paid to NEDs reflect the demands that are made on, and responsibilities of, NEDs in discharging their duties. The fees are fixed and no remuneration is tied to the Company's performance. Each NED receives a fee for being a director of the Company. No additional fee is paid for each Board committee on which a Director sits.

The remuneration of NEDs for the year ended 30 September 2013 is detailed on page 14 of this Report. The current maximum aggregate sum is $500,000 per annum. This is intended to provide the Board with scope to appoint new NEDs in the future. It is not intended to distribute this full amount by way of fees in the current year.

In accordance with the Constitution, Directors are permitted to be paid additional fees for special services on execution. No such fees were paid during the year. Directors are also entitled to be reimbursed for all business related expenses, including travel on Company business as may be incurred in the discharge of their duties. Such reimbursements are not included in the remuneration cap.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

The table below summarises the NED Board remuneration including superannuation for 2013.

Chairman	$107,183
Directors	$69,669

The total remuneration for NEDs in 2013 was $316,190.

During the year the RNC considered the level of NED remuneration, time commitment, experience, market conditions and the Company's support needs. The RNC recommended, and the Board agreed to, lower the level of remuneration from 1 August 2013. The table below summarises the NED Board remuneration including superannuation from 1 August 2013.

Chairman	$98,100
Directors	$63,765

The total remuneration for NEDs in 2014 is forecast to be $289,395, a reduction of 8.5%.

Executive and Executive Director Remuneration

The Company aims to reward its Executives and Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward Executives and Executive Directors for Company, business unit and individual performance against targets set by reference to appropriate benchmarks.
- Reward Executives and Executive Directors having regard to the strategic goals and performance of the Company.
- Ensure total remuneration is competitive by market standards.

Remuneration consists of the following key elements:

(i) Fixed Remuneration - Remuneration that is "not at risk"

Fixed Remuneration refers to agreed Base Salary plus associated benefits. This also includes statutory benefits such as superannuation, annual and sick leave. Fixed Remuneration is benchmarked annually against industry and job role comparator groups. Personal performance will influence the changes in Fixed Remuneration.

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

Remuneration packages for staff, who report directly to the Managing Director, are based on the recommendation of the Managing Director subject to the approval of the Board in the annual budget setting process. The remuneration of the Company's Executive Directors and Executives for the financial period is set out on page 14 and 15 respectively of this Report.

In determining the Fixed Remuneration payable for each subsequent financial year, the Board will have regard to the performance of both the Company and the performance of the relevant individuals.

(ii) Variable Remuneration - Remuneration that is "at risk"

The payment of Variable Remuneration is subject to performance measures which are linked to personal objectives and company strategy to align remuneration with the Company's objectives. The performance measures are subdivided into Personal Performance as determined by the annual Staff Review and Company Performance as determined by the performance of the Company versus appropriate measures. Performance against these measures determines the amount of Variable Remuneration paid on an annual basis. As with Fixed Remuneration, the variable component is benchmarked annually against industry and job role comparator groups.

Variable Remuneration can be subdivided into Short Term Incentives (STI) and Long Term Incentives (LTI).

STI - Short Term Incentives

Short term performance as a basis for compensation will involve a performance evaluation period of 12 months, beginning in October each year.

In structuring the annual incentive, the Company will first determine the business objectives for the next 12 months within the context of a broader 3-5 year strategic plan. Next, appropriate internal performance measures or Key Performance Indicators are agreed. The nature of the compensation is in the form of cash.

The total potential STI available is set at a level so as to provide sufficient incentive to executives to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Actual STI payments awarded to each executive depends on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering both financial and non financial (such as safety), corporate and individual measures of performance. The targets include NPAT and completion of key objectives. A summary of the measures and weightings are set out below.

	Individual KPIs	Company Performance KPIs	Canada Performance KPIs
Executive – Australia	50%	50%	-%
Executive – Canada	50%	-%	50%

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

The aggregate of annual STI payments available for executives across the Company is subject to the approval of the Board. On an annual basis, after consideration of performance against KPIs, the Board determines the amount, if any, of the short term incentive to be paid to each executive. This process usually occurs within three months after the reporting date. Payments made are delivered as a cash bonus in the following reporting period. Managing Director payments are up to 33% of base pay and Other KMP STI payments are up to 40 - 50% of base pay.

The following table outlines the business unit performance in relation to the 2012 year.

Business unit	Performance measure	FY12 performance versus budget
Corporate & Portfolio	Net profit after tax (Company)	Under performed
Canada	Net profit after tax (Canada)	Under performed

The following table outlines the proportion of maximum STI that was earned and forfeited in relation to the 2012 year.

Executive Director	Proportion of maximum STI earned in 2012	Proportion of maximum STI forfeited in 2012
P. Bird	-%	100%
Other KMP		
M. Flook	-%	100%
S. Gray	23%	77%
A. Minty (Canada)	35%	65%

LTI - Long Term Incentives

The objective of long term incentives is to encourage staff and executive performance to deliver sustained shareholder value. The Company Long Term Incentive (LTI) scheme is designed to reward participants for implementation of the strategic plan and to align the long term interests of the shareholders, senior executive management and the Company by linking a portion of participating employees' remuneration at risk to the Company's future performance. The Heemskirk Consolidated Employee Share Purchase Plan (the Plan) is designed to achieve this outcome.

The Plan involves the issue of shares in the Company. The Plan is part of an executive's "at risk" salary component and issues may be made annually. Under the terms of the Plan an initial share allocation may be made after completion of a qualifying period of 12 months. The Company has adopted a four year vesting period for Shares issued under the Plan, Year 1 - 25%, Year 2 - 25%, Year 3 - 25%, and Year 4 - 25%.

Under the Plan an interest free loan is made to the Executive to fund the acquisition of shares in the Company. A portion of dividends are required to be applied to the loan reduction and the loan balance must be paid out from share sale proceeds. If the share sale proceeds are less than the value of the loan, the Executive pays the balance of the loan. If the loan balance is not retired, the employee is unable to receive any benefit from the shares. If an Executive leaves prior to vesting of shares then the shares are forfeited and the loan is cancelled. While Plan shares are "restricted shares", they may not be sold or transferred, mortgaged, hedged (or otherwise encumbered) or otherwise dealt with by a participant.

Canadian Executives receive the right to acquire shares under the Plan rather than having the shares issued to them. The right to acquire is permitted after each vesting date.

An issue of shares to the Managing Director is a result of executing KPIs from the Company's strategic plan and payments are up to 44% of base pay. Any issue of shares to the Managing Director is subject to shareholder approval. Other KMP LTI payments are up to 40-50% of base pay.

Key performances indicators are linked to the strategic plan with key milestones incorporating organic growth, key developments, acquisitions and divestments. For example, key deliverables in relation to developing the Frac Sand Project features prominently in the executive KPIs. On an annual basis, after consideration of performance against KPIs, the Board determines the amount, if any, of the long term incentive to be paid to each executive. This process usually occurs within three months after the reporting date.

The following table outlines the proportion of maximum LTI that was earned and forfeited in relation to the 2012 year.

Executive Director	Proportion of maximum LTI earned in relation to 2012	Proportion of maximum LTI forfeited in relation to 2012
P. Bird	36%	64%
Other KMP		
M. Flook	12%	88%
S. Gray	28%	72%
A. Minty (Canada)	37%	63%

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Remuneration of KMP

Non Executive Directors' remuneration for the year ended 30 September 2013.

		Short Term Benefits	Post Employment	
		Salary, Fees & Commissions $	Superannuation $	Total $
Garry Cameron	2013	63,882	5,787	69,669
	2012	61,265	18,049	79,314
William A (Lex) Hansen	2013	48,750	20,919	69,669
	2012	72,765	6,549	79,314
Graham Lenzner	2013	89,530	17,653	107,183
	2012	89,895	36,000	125,895
John Taylor	2013	63,882	5,787	69,669
	2012	72,765	6,549	79,314

Executives who received remuneration for the year ended 30 September 2013

		Fixed Remuneration			Variable Remuneration				
		Short Term Benefits		Post Employment	Short Term	Share Based Payments & Rights(1)			
		Salary, Fees & Commissions $	Non-Monetary Benefits $	Superannuation $	Cash Bonus $	$	Termination Benefits(2) $	Total Remuneration $	Performance Related %
P Bird(3)	2013	418,880	14,324	16,796	-	6,750	-	456,750	1.48%
	2012	510,014	15,849	17,670	-	-	-	543,533	0.00%
M Flook(4)	2013	270,843	-	28,907	-	2,888	303,062	605,700	0.48%
	2012	256,636	-	43,114	-	5,422	-	305,172	1.78%
S Gray(5)	2013	173,135	-	17,077	14,403	3,580	-	208,195	8.64%
	2012	52,942	-	4,765	-	-	-	57,707	0.00%
A Minty	2013	234,564	19,834	11,728	39,659	7,859	-	313,644	15.15%
	2012	225,790	1,346	9,763	38,091	-	-	274,990	13.85%

(1) Fair value of Long Term Incentives granted to Executive.

(2) Termination benefits include payments in lieu of notice.

(3) Mr Bird was appointed as Managing Director on 1 December 2011 and received a sign on fee of $100,000 in 2012.

(4) Mr Flook retired 31 July 2013. Following completion of 6 months notice the termination benefits are payable on 31 January 2014.

(5) Mr Gray met the definition of a KMP on his appointment as Company Secretary from 1 June 2012.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Long term incentives movements during the year [1]

Executive	Grant Date	Fair Value Per Share/ Right at Award Date [2]	First Vesting Date	Final Vesting Date	Exercise Price[2]	No. Shares/ Rights Granted	No. Shares Vested or Exercisable Rights	No. Shares/ Rights Lapsed
P Bird [3]	1.03.13	2.25	1.03.14	1.03.17	12	300,000	-	-
M Flook	1.03.13	2.25	1.03.14	1.03.17	12	128,332	-	-
	1.03.12		1.03.13	1.03.16		-	54,216	-
S Gray	1.03.13	2.25	1.03.14	1.03.17	12	159,124	-	-
	1.03.12		1.03.13	1.03.16		-	27,738	-
	1.03.11		1.03.12	1.03.15		-	24,905	-
	5.01.09		5.01.10	5.01.13		-	5,121	-
A Minty [4]	1.03.13	2.25	1.03.14	1.03.17	12	349,312	-	-
	1.03.11		1.03.12	1.03.15		-	25,427	-

(1) At the date of this report, there has been no repayment of LTI loans or dividends applied against loans.

(2) Cents per share.

(3) Subject to the approval at the next General Meeting by shareholders.

(4) Grants to Mr Minty are rights which are exercisable after each vesting date.

Long term incentives held and granted

Executive	Balance 1.10.12	No. Shares And Rights Granted During The Period	Balance 30.09.2013		
	No. Held		No. Held	NO. RIGHTS EXERCISABLE	NO. SHARES VESTED
P Bird [1]	-	300,000	300,000	-	-
M Flook	216,864	128,332	345,196	-	54,216
S Gray	244,982	159,124	404,106	-	111,958
A Minty [2]	101,708	349,312	451,020	50,854	-

(1) Subject to the approval at the next General Meeting by shareholders.

(2) Grants to Mr Minty are rights which are exercisable after each vesting date.

Long term incentives fair value movements during the year

Executive	Fair value of shares/ rights granted during the year $	Fair value of shares exer-cised during the year $	Fair value of vested shares forfeited during the year $	Remuneration consisting of shares/rights granted during the year %
P Bird [1]	6,750	-	-	1.48%
M Flook	2,888	-	-	0.41%
S Gray	3,580	-	-	1.72%
A Minty	7,859	-	-	2.51%

(1) Subject to the approval at the next General Meeting by shareholders.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Founders' Plan (Executive Bonus Plan)

On 28 July 2010 the Company announced that it had been decided to terminate the Founders' Plan and settlement terms have been agreed. This action had the full support of the Founders and the then Heemskirk Board. The settlement provided for all outstanding partly paid shares held by the Founders to be paid up on execution.

In conjunction with the Founder's Plan settlement, loan facilities were made available to the Founder's to assist with discharging any Australian taxation liability as a result of the settlement. The drawdown of the facility as at 30 September 2013 is $279,000 (2012: $nil).

The loan facility is interest-bearing at market rates and repayable by cash or a predetermined number of pledged Company shares at a value of 50 cents per share plus termination payments. Any shortfall in repayments after the value of the loan facility has been reduced by cash, the pledged Company shares and termination payments will be forgiven and treated as an expense. In the unlikely event of a termination for cause, the Company has recognised in the accounts a potential shortfall in relation to the Managing Director of $160,000 (2012: $104,000) as at 30 September 2013.

Details relating to Employment Contracts

Remuneration arrangements for executives are formalised in employment agreements. Details of these contracts are provided below.

Managing Director

The Managing Director is employed under an ongoing contract which can be terminated with notice by either the Managing Director or the Company.

Under the terms of the present contract as disclosed to the ASX on 1 December 2011, the Managing Director:

- receives fixed remuneration of $450,000 per annum;
- has a target STI opportunity up to 33% of his fixed remuneration; and
- is eligible to participate in the Company's LTI plan on terms determined by the Board up to 44% of his fixed remuneration, subject to receiving any required or appropriate shareholder approval.

The Managing Director's termination provisions are as follows:

Managing Director	Notice Period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Resignation	6 months	6 months	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards forfeited	Unvested awards forfeited
Termination without cause	12 months	12 months	Unvested awards forfeited	Unvested awards forfeited

The employment contract contains a six month post employment restriction which may be exercised at the election of the Company.

Other KMP

For Other KMP, remuneration and other terms of employment are formalised in employment contracts that can be terminated with notice. Each of these agreements provide for an annual review of annual base pay, provision of performance related cash bonuses, other benefits and participation in the Long Term Incentive Plan. The contracts provide for notice ranging from three to six months for resignation by the executive or termination by the Company.

Other KMP	Notice Period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Resignation	3-6 months	3-6 months	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards forfeited	Unvested awards forfeited
Termination without cause	3-6 months	3-6 months	Unvested awards forfeited	Unvested awards forfeited

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Payments applicable to outgoing executives

Mr Flook was employed by the Company under a contract for a fixed term expiring 30 June 2010. Either of the Company or Mr Flook could give six months' notice of termination expiring at the end of the Term. Mr Flook's employment continued beyond the Term under the existing contract. Upon notice being given on 31 July 2013, the Company will pay Mr Flook an amount equivalent to 12 months remuneration, based on the average remuneration of all types over the 3 years prior to termination on 31 January 2014. Six months' remuneration for the notice period commencing 1 August 2013, and concluding 31 January 2014, and leave entitlements will also be paid.

The employment contract contained a six month post employment restriction which was not exercised at the election of the Company.

Relationships of Incentives to Company's Performance

At risk LTIs for Other KMP are based on Company performance on net profit after tax and individual KPIs. At risk LTIs for the Managing Director are based on the execution of the Company's strategic plan.

Heemskirk's Financial Performance

Year Ended 30 September	2009	2010	2011	2012	2013
NPAT ($m)	(13.2)	(39.6)	(3.4)	(2.2)	(3.9)
Basic Earnings Per Share (EPS)(1) (cents)	(15.91)	(29.75)	(6.67)	(2.20)	(2.54)
Dividend declared (cents)	0	0	0	0	0
Share buyback ($m)	0.6	0	0	0	0
Share Price at 30 Sep (cents)	51.0	26.0	11.0	12.5	6.5
Share Price increase/ (decrease)(2) (cents)	(49.0)	(25.0)	(15.0)	1.5	(6.0)

(1) Basic EPS is calculated as net profit after tax from continuing operations divided by weighted average number of ordinary shares.

(2) Share Price movement during the financial year.

Indemnity

The Company has entered into agreements to indemnify all of the Directors named in this report and the Company Secretary against all liabilities to persons (other than the Company), which arise out of the performance of their normal duties as Directors or Executive Officers unless the liability relates to conduct involving a lack of good faith. The Company has agreed to indemnify the Directors and the Company Secretary against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

Since the close of the financial year, the Company has paid a premium for an insurance policy for the benefit of the Directors and the Company Secretary. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Corporate Governance Statement

This statement, set out in Section 4 of the 2012 Annual Report, summarises the Company's key corporate governance policies that were in place during the year. Details of the Company's corporate governance policies are located on our website www.heemskirk.com.
No significant changes in the state of affairs other than those contained in this report.

Rounding of Amounts

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

DIRECTORS' REPORT (INCLUDING REMUNERATION REPORT)

Non-Audit Services

Details of the amounts paid or payable to the external auditors of the Company, Ernst & Young, for audit and non-audit services provided during the year are disclosed in note 26 to the Financial Report. Based on advice provided by the Audit & Risk Committee, there were no non-audit services provided.

Signed in accordance with a resolution of the Directors

Graham Lenzner
Non-Executive Chairman
Melbourne, Victoria

26 November 2013

Peter Bird
Managing Director
Melbourne, Victoria

26 November 2013

Auditor's Independence Declaration to the Directors of Heemskirk Consolidated Limited

In relation to our audit of the financial report of Heemskirk Consolidated Limited for the financial year ended 30 September 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Rodney Piltz
Partner

26 November 2013

D. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 $'000	2012 $'000
Revenue from continuing operations	*4*	23,990	19,136
Cost of sales	*5*	(21,938)	(15,996)
Gross profit/(loss)		**2,052**	**3,140**
Proceeds on sale of equity investments		565	744
Cost of equity investments sold		(523)	(563)
Unrealised gains/(losses) on equity investments		(470)	(772)
Net gains/(losses) on equity investments		(428)	(591)
Other income		81	72
Total other income/(expense)		**(347)**	**(519)**
Depreciation and amortisation expense	*5*	(935)	(812)
Employee benefits expense	*5*	(2,114)	(2,309)
Corporate costs		(847)	(850)
Consultants and advisory expense		(621)	(694)
Finance costs	*5*	(772)	(521)
Other expenses		(19)	(118)
Impairment expense	*5*	(48)	(21)
Loss before income tax from continuing operations		**(3,651)**	**(2,705)**
Income tax expense from continuing operations	*6*	(266)	(684)
Loss after income tax from continuing operations		**(3,917)**	**(3,389)**
Profit from discontinued operations (net of income tax)	*7*	-	1,170
Loss after income tax		**(3,917)**	**(2,219)**
Other comprehensive income:			
Items that will be subsequently reclassified to profit or loss			
Foreign currency translation	*22b*	671	(52)
Items that will not be subsequently reclassified to profit or loss			
Asset revaluation		125	(16)
Income tax on items of other comprehensive income			
Other comprehensive income/(loss) for the period, net of tax		**796**	**(68)**
Total comprehensive income/(loss) for the period		**(3,121)**	**(2,286)**
Earnings per share (EPS) from continuing operations	*10*		
Basic earnings per share (cents)		(2.54)	(2.20)
Diluted earnings per share (cents)		(2.54)	(2.20)
Earnings per share on profit/(loss)			
Basic earnings per share (cents)		(2.54)	(1.44)
Diluted earnings per share (cents)		(2.54)	(1.44)

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

E. CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Note	2013 $'000	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	*11*	8,502	9,426
Trade and other receivables	*12*	3,986	1,804
Inventories	*13*	5,934	4,507
Other financial assets	*14a,b*	6,431	11,323
Other current assets		193	248
Total current assets		**25,046**	**27,308**
Non-current assets			
Property, plant and equipment	*15*	6,512	6,398
Exploration, evaluation and mine development	*16*	5,167	3,795
Deferred tax assets	*6c*	133	-
Other non current assets		-	13
Total non-current assets		**11,812**	**10,206**
TOTAL ASSETS		**36,858**	**37,514**
LIABILITIES			
Current liabilities			
Trade and other payables	*17*	6,347	3,874
Interest bearing loans and borrowings	*18*	5,144	4,981
Provisions	*19*	520	534
Income tax payable	*6c*	141	148
Financial derivative liability		22	17
Total current liabilities		**12,174**	**9,554**
Non-current liabilities			
Deferred tax liabilities	*6c*	295	264
Interest bearing loans and borrowings	*18*	15	177
Provisions	*19*	77	134
Total non-current liabilities		**387**	**575**
TOTAL LIABILITIES		**12,561**	**10,129**
NET ASSETS		**24,297**	**27,385**
EQUITY			
Contributed equity	*20*	81,184	81,184
Reserves		2,987	2,158
Retained earnings/(losses)	*22*	(59,874)	(55,957)
TOTAL EQUITY		**24,297**	**27,385**

The above balance sheet should be read in conjunction with the accompanying notes.

F. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Issued capital									
	Ordinary shares fully paid	Class A Ordinary shares partly paid	Class B Ordinary shares partly paid	Convertible notes	Reserved shares	Retained earnings	Asset revaluation reserve	Foreign currency translation reserve	Employee share based payment reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2011	**79,842**	**1**	**15**	**2,003**	**(677)**	**(53,738)**	**1,956**	**77**	**179**	**29,658**
Profit/(loss) for the period	-	-	-	-	-	(2,219)	-	-	-	(2,219)
Other comprehensive income net of tax	-	-	-	-	-	-	(16)	(52)	-	(68)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(2,219)**	**(16)**	**(52)**	**-**	**(2,287)**
Transactions with owners in their capacity as owners										
Employee share based payments	-	-	-	-	-	-	-	-	14	14
Balance at 30 September 2012	**79,842**	**1**	**15**	**2,003**	**(677)**	**(55,957)**	**1,940**	**25**	**193**	**27,385**

	Issued capital									
	Ordinary shares fully paid	Class A Ordinary shares partly paid	Class B Ordinary shares partly paid	Convertible notes	Reserved shares	Retained earnings	Asset revaluation reserve	Foreign currency translation reserve	Employee share based payment reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2012	**79,842**	**1**	**15**	**2,003**	**(677)**	**(55,957)**	**1,940**	**25**	**193**	**27,385**
Profit/(loss) for the period	-	-	-	-	-	(3,917)	-	-	-	(3,917)
Other comprehensive income net of tax	-	-	-	-	-	-	125	671	-	796
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(3,917)**	**125**	**671**	**-**	**(3,121)**
Transactions with owners in their capacity as owners										
Employee share based payments	-	-	-	-	-	-	-	-	33	33
Balance at 30 September 2013	**79,842**	**1**	**15**	**2,003**	**(677)**	**(59,874)**	**2,065**	**696**	**226**	**24,297**

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

G. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		21,230	20,339
Payments to suppliers and employees		(24,241)	(20,401)
Interest received		450	705
Income tax received/(paid)		(375)	(607)
Finance costs paid		(841)	(571)
Net cash flows from/(used in) operating activities	*29(a)*	(3,777)	(535)
Cash flows from investing activities			
Cash (deposits) for bank investments/guarantees		4,157	(2,181)
Proceeds from the sale of equity investments		564	745
Purchases of equity investments		(259)	(640)
Proceeds from the sale of property, plant and equipment		65	60
Purchases of property, plant and equipment		(673)	(317)
Exploration, evaluation and mine development expenditure		(1,059)	(2,320)
Net cash flows from/(used in) investing activities		2,795	(4,653)
Cash flows from financing activities			
Proceeds/(repayment) of borrowings		58	(2,080)
Net cash flows from/(used in) financing activities		58	(2,080)
Net increase/(decrease) in cash and cash equivalents		(924)	(7,268)
Cash and cash equivalents at beginning of period		9,426	16,693
Net foreign exchange differences		-	1
Cash and cash equivalents at end of period	*11*	**8,502**	**9,426**

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

H. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

The financial report of Heemskirk Consolidated Limited and its controlled entities (the Company) for the year ended 30 September 2013 was authorised for issue in accordance with a resolution of the directors on 26 November 2013.

Heemskirk Consolidated Limited (the parent entity) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Company and its controlled entities are resource equity investments, mining and processing of minerals.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments, equity investments and land, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

The Company is a for profit entity.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(b) Compliance with IFRS

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

Adoption of New Standards and Interpretations

The Company has adopted the following new and/or revised Standards, Amendments and Interpretations from 1 October 2012:

- AASB 2011-9 - Presentation of Other Comprehensive Income

Adoption of the above Standards, Amendments and Interpretations did not have any effect on the financial position or performance of the Company.

New Accounting Standards and Interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application.

They have been issued but are not yet effective and are available for early adoption at 30 September 2013, but have not been applied in preparing this financial report.

Reference and Title	Details of the New Standard/Amendment/Interpretation	Impact on Company	Application date for the Company
AASB 10 Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. The new control model broadens the situations when an entity is considered to be controlled by another entity.	*(i)*	1-Oct-13
AASB 11 Joint arrangements	AASB 11 replaces AASB 131 and UIG-113. The standard uses the principle of control in IFRS 10 to define joint control, and therefore determination of whether joint control exists may change.	*(i)*	1-Oct-13
AASB 12 Disclosure of interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about these entities.	*(i)*	1-Oct-13
AASB 13 Fair Value Measurement	AASB 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. It includes guidance on how to determine fair value under IFRS and expands the disclosure requirements for all assets and liabilities carried at fair value.	*(i)*	1-Oct-13
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised if future economic benefits will be realised, costs are reliably measured and the component of an ore body to which it relates can be identified.	*(i)*	1-Oct-13

AASB 9 Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	*(ii)*	1-Oct-15
AASB 119 Employee Benefits	The Standards changes the definition of short term employee benefits. The distinction between short term and other long term employee benefits is now based on whether the benefits are expected to be settled within 12 months after the reporting date.	*(i)*	1-Oct-13
AASB 2011-4 Amendments to Australian Accounting Standards	Amendments to remove the individual key management personnel disclosures in the notes to and forming part of the financial report.	*(i)*	1-Oct-13
AASB 2011-5 Amendments to Australian Accounting Standards	Amendments to narrative requirements for comparative information and segment disclosures for interim financial reports.	*(i)*	1-Oct-13
AASB 2012-2 Disclosures Offsetting Financial Assets and Financial Liabilities	Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting off arrangements on the entity's financial position.	*(i)*	1-Oct-13
AASB 2012-5 Annual Improvements 2009-2011 Cycle	Repeat application of AASB 1 is permitted and clarification of the AASB 101 comparative information requirements when an entity provides a third balance sheet.	*(i)*	1-Oct-13
AASB 2012-3 Offsetting Financial Assets and Financial Liabilities	Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.	*(i)*	1-Oct-14

(i) *The adoption of this new standard, amendment or interpretation will not have a material impact on the Company's financial statements.*

(ii) *The Company has not yet determined the extent of the impact, if any.*

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Heemskirk Consolidated Limited and its subsidiaries as at 30 September 2013.

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

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

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

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

(d) Foreign currency translation

(i) Functional and presentation currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cashflow or net investment hedge until disposal at which time they are recognised in the statement of comprehensive income. Exchange variations resulting from the translation of subsidiaries functional currency are recognised in the foreign currency translation reserve in equity.

In accordance with the requirements of the accounting standards, foreign currency translation gains/(losses) remain deferred in equity until the disposal of the foreign operation, at which point they are recognised in the statement of comprehensive income.

(e) Cash and cash equivalents

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

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. The costs of mining stocks include direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Derivative financial instruments

The Company uses derivative financial instruments to manage its currency risk for raw materials purchases. The instruments used by the Company include forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of recognition in the statement of comprehensive income depends on the nature of the hedge relationship.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges, when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges, when they hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Amounts accumulated in equity are transferred to the statement of comprehensive income in the periods when the hedged item affects the statement of comprehensive income, for instance when the forecast sale that is hedged takes place.

At the inception of the transaction, the Company formally designates and documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains deferred in equity until the original forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the statement of comprehensive income.

(h) Investments and other financial assets

The Company classifies its financial assets into the following categories:
(i) Fair value through profit or loss; and
(ii) Amortised costs

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

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For traded investments with embedded derivatives, the fair value is determined by a qualified valuer. For investments with no active market, fair values are determined using valuation techniques. The valuation is determined by reference to the current market value of another instrument that is substantially the same. Realised gains or losses are included in the statement of comprehensive income. The Company recognises unrealised gains and losses of equity investments in the statement of comprehensive income under the "fair value through profit and loss" approach.

(ii) Financial assets at amortised cost

These financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. After initial recognition, these assets are measured at amortised cost, using the effective interest method. Gains and losses are recognised in profit or loss when these assets are derecognised or impaired, as well as through the amortisation process.

(i) Property, plant and equipment

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

(i) Land and Buildings

Freehold land is measured at its fair value. It is the policy of the Company to have an independent valuation every three to five years, with annual appraisals being made by the directors.

Following initial recognition at cost, freehold land is carried at a revalued amount. Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income, in which case the increase is recognised in the statement of comprehensive income.

Any revaluation decrease is recognised in the statement of comprehensive income, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Buildings are held at cost less any subsequent accumulated depreciation on buildings. Land and buildings are reduced by any subsequent accumulated impairment losses.

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to statement of comprehensive income.

(ii) Plant and equipment

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

The carrying values of plant and equipment are reviewed for impairment annually, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount is assessed on the basis of the expected net cashflows that will be received from the assets employed and subsequent disposal. The expected net cashflows have been discounted to their present values in determining recoverable amounts.

(iii) Depreciation

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated/amortised over their estimated useful lives.

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

The remainder of assets but excluding freehold land, is depreciated on a straight line basis over their useful lives of 3 - 20 years, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

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

(j) Leases

Leases of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits incidental to ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised, with a lease asset and a lease liability equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments determined at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charge component within the lease payments is expensed. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company or its controlled entities will obtain ownership by the end of the lease term.

Payments made under operating leases are expensed on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

(k) Impairment of assets

The carrying amounts of all assets are reviewed yearly to determine whether there is an indication of impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units - CGUs).

(l) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised as an expense when incurred, except when they are included in the costs of qualifying assets.

(n) Share-based payment transactions

The Company may provide benefits to employees of the Company in the form of share based compensation, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). Currently the Company operates an Employee Share Plan. Further details are given in Note 21.

(o) Unsecured converting notes

The component of the unsecured converting notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs.

On issuance of the unsecured converting notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

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

Interest on the liability component of the instruments is recognised as an expense in the statement of comprehensive income.

Transaction costs are apportioned between the liability and equity components of the unsecured convertible and converting notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

(p) Exploration, evaluation and feasibility expenditure

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

(i) Rights to tenure of the area of interest are current; and
(ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the area are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct net exploration and evaluation costs incurred by or on behalf of the Company, together with an appropriate portion of directly related overhead expenditure.

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest.

At the commencement of production, all past exploration, evaluation and feasibility expenditure in respect of an area of interest is transferred to mine development where it is amortised over the life of the area of interest to which they relate.

When an area of interest is abandoned or the directors decide it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed at the end of each reporting period and accumulated costs written off to the extent they are not expected to be recoverable in the future.

(q) Mine development

Mine development represents the expenditure incurred in preparing mines for production, and includes stripping and waste removal costs net of revenue recognised before commissioning date. Such expenditure comprises net direct costs and an appropriate allocation of directly related overhead costs.

All expenditure incurred prior to commencement of production from the development property is carried forward to the extent to which recoupment out of future revenue from the sale of production is reasonably assured.

When further development expenditure is incurred in respect of the mine property after commencement of production, such expenditure is carried forward as part of the cost of mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

The net carrying values of mine development expenditure carried forward are reviewed yearly by directors to determine whether there is any indication of impairment. The carrying value of mine development will be amortised in full by the completion of the mine.

(r) Deferred mining expenditure

The Company defers mining costs incurred during the production stage of its operations, initially as part of determining the cost of mine development and then to inventories. Deferred mining costs for a mine are amortised over the life of the mine against inventories on a unit-of-production basis taking in to consideration the total remaining cost of developing the mine over its life. The life of mine is based on economically recoverable reserves of each mine. The deferred mining costs in inventories are released to the statement of comprehensive income as an amortisation expense.

The life of mine is a function of an individual mine's design and therefore changes to that design will generally result in changes to the amortisation rate. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine even if they do not affect the mine's design. Changes to the life of mine are accounted for prospectively.

(s) Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

(t) Provisions for restoration

The Company is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation program, discounted to its net present value, is provided when the environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in the statement of comprehensive income on a prospective basis over the remaining life of the operation.

(u) Contributed equity

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

Reserved shares

The Company's own equity instruments are reacquired for later use in employee share-based payment arrangements and are deducted from equity. No gain or loss is recognised in the statement of comprehensive income on purchase, sale, issue or cancellation of the Company's own equity instruments.

Unsecured converting notes

Each unsecured converting note may be converted into 3 ordinary shares and $1.45 cash every six months commencing 31 December 2012. If there are any unsecured converting notes outstanding at maturity, the Company will redeem them for 3 fully paid ordinary shares and $1.45 cash per converting note. The notes will attract interest at 10.25% per annum paid semi annually.

(v) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest income

Revenue is recognised as interest accrues using the effective interest method. Revenue is recognised when the Company's right to receive payment is established.

(iii) Dividends

Revenue is recognised when the Company’s right to receive the payment is established.

(iv) Management fees

Revenue is accrued as work is completed and the Company's right to receive payment is established.

(w) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Heemskirk Consolidated Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 27 July 2005.

The parent entity, Heemskirk Consolidated Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Company has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, Heemskirk Consolidated Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(x) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable. 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 balance sheet are shown inclusive of GST.

Cashflows 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 cashflows.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(y) Earnings per share

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

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

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise equity investments, cash deposits, unsecured converting notes and bank borrowings.

The main purpose of these financial instruments is to provide cash flow and funding for 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. The Company also enters into derivative transactions. The purpose is to manage the currency and commodity risk arising from the Company's operations and its source of finance.

The main risks arising from the Company's financial instruments are foreign currency risk, price risk and liquidity risk.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term overdraft facilities and cash at bank and in hand with a floating interest rate.

The Company's policy is to manage its interest cost using a mix of fixed and variable debt. To manage this mix, the Company issued fixed rate unsecured converting notes.

Foreign currency risk

The Company operates in Canada and Australia, and maintains exposure to the Canadian and the U.S. exchange rates. As such, the Company's balance sheet can be affected by movements in these exchange rates. The policy of the Company is to monitor foreign currency exposures and hedge on a case by case basis.

At 30 September 2013, the Company had $4.016 million (2012: $1.457 million) foreign exchange forward contracts in place.

Price risk

The Company has substantial holdings in mining and extractive industry stocks, the values of which are impacted by commodity price movements. The Company tracks these holdings as equity investments, and closely monitors the performance and values of these investments.

The policy of the Company is to maintain exposure to commodity price movements at its mining operations. The Company may also use put options, forward contracts and commodity sale contracts to manage its downward price risk.

At 30 September 2013, the Company had no forward contracts and no put options in place.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Company trades only with recognised, creditworthy third parties and such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables. Note 23(c) discloses credit risk and concentration risk issues.

Liquidity risk

The Company's objective is to use cash and cash equivalents, equity investments at fair value and financial assets at amortised cost, bank loans, converting notes and equity to maintain liquidity.

The Company's policy is to maximise liquidity to enable the development of its projects.

Refer to Note 23 for further disclosure on financial risk management objectives and policies.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Company's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for restoration. The Company estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the "JORC code"). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.
Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Impairment of assets

The Company assesses each "cash generating unit" yearly, to determine whether there is any indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy Note 1(k). The fair value less costs to sell and value in use calculations require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future operating development and sustaining requirements and operating performance (including the magnitude and timing of related cash flows).

Restoration provision

The Company assesses its restoration provision annually in accordance with accounting policy Note 1(t). Significant judgement is required in determining the provision for restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate sites. Factors that will affect the ultimate liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the restoration provision in the period in which they change or become known.

Share based payments

The Company measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by using a Binomial Model, using the assumptions detailed in Note 21.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and losses when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Valuation of unlisted warrants

The fair value of warrants has been estimated using the Black-Scholes Model taking into account the terms and conditions upon which the warrants were issued. The valuation is determined by reference to comparable share price volatilities. The key assumptions are details in note 23(e).

Exploration and evaluation costs

The Company's accounting policy for exploration and evaluation expenditure is set out in Note 1(p). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

NOTE 4: REVENUE FROM CONTINUING OPERATIONS

		2013 $'000	2012 $'000
An analysis of the Company's revenue for the year, from continuing operations, is as follows:			
-	sale of goods	23,586	18,383
-	interest received	404	753
	Total revenue	23,990	19,136

NOTE 5: EXPENSES FROM CONTINUING OPERATIONS

		2013 $'000	2012 $'000
Profit/(loss) for year includes the following expenses:			
(a)	**Cost of sales**		
-	sale of goods	21,938	15,996
		21,938	15,996
(b)	**Depreciation and amortisation**		
	Depreciation of:		
-	property, plant and equipment (refer to Note 15)	896	751
	Amortisation of:		
-	mine development (refer to Note 16)	39	61
		935	812
(c)	**Finance costs**		
-	convertible notes, leases, financing initiatives and overdrafts	829	569
-	unwind of discount on unsecured convertible notes	(57)	(48)
		772	521
(d)	**Operating lease payments**		
-	rental expense on operating leases	426	458
		426	458
(e)	**Employee benefits expense**		
-	superannuation expense	120	138
-	share based payment expense	33	14
-	salaries	1,961	2,157
		2,114	2,309
(f)	**Impairment losses**		
-	inventories	12	-
-	bad debts	36	21
		48	21

NOTE 6: INCOME TAX

	2013 $'000	2012 $'000
(a) Income tax expense		
The major components of income tax expense are:		
Income statement		
Current income tax		
Current income tax expense	394	541
Under/(over) provision from previous years	-	2
	394	543
Deferred tax expense		
Relating to origination and reversal of temporary differences	(99)	(38)
Under/(over) provision from previous years	(29)	-
	(128)	(38)
Income tax expense reported in the statement of comprehensive income	266	505
Income tax expense/(benefit) attributable to:		
Continuing operations	266	683
Discontinued operations	-	(178)
Income tax expense reported in the statement of comprehensive income	266	505

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows:

	2013 $'000	2012 $'000
Accounting profit/(loss) before tax	(3,651)	(1,750)
At the Company's statutory income tax rate of 30% (2012: 30%)	(1,095)	(525)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of different foreign tax rates	(4)	(17)
Other expenses	108	17
Under provided for in prior years	(24)	1
Derecognition of current and prior year tax losses	1,279	1,033
Debt forgiveness - foreign subsidiary	-	(2)
Foreign exchange (gains)/losses and other translation adjustments	2	(2)
Income tax expense reported in the statement of comprehensive income	266	505

(c) Recognised deferred tax assets and liabilities

	2013 $'000 Current income tax	2013 $'000 Deferred income tax	2012 $'000 Current income tax	2012 $'000 Deferred income tax
Opening balance	(148)	(264)	(208)	(305)
Charged to income	(394)	128	(543)	38
Other payments/tax losses not recognised	401	3	603	3
Closing balance	(141)	(133)	(148)	(264)
Tax expense in statement of comprehensive income		266		505
Amounts recognised in the statement of financial position:				
Deferred tax asset		133		-
Deferred tax liability		(295)		(264)
		(162)		(264)

Deferred income tax at 30 September relates to the following:	Balance Sheet 2013 $'000	Balance Sheet 2012 $'000
Deferred tax liabilities		
Mine development	(359)	(395)
Accelerated depreciation: plant and equipment, motor vehicles	(146)	(384)
Unrealised (gains)/losses	(295)	-
	(800)	(779)
Less set-off of deferred tax assets	505	514
Net deferred tax liabilities	(295)	(264)
Deferred tax assets		
Property, plant and equipment	31	114
Mine development	18	48
Tax value of tax losses carried forward	512	352
	561	514
Less set-off of deferred tax assets	(428)	(514)
Net deferred tax assets	133	-

(d) Tax Losses

The Company has an unrecognised deferred tax benefit relating to capital and income tax losses of $12.232 million (2012: $10.952 million). The Company recognises the benefit of tax losses only to the extent of anticipated future taxable income or gains in relevant jurisdictions. The gross amount of tax losses carried forward that have not been tax effected expire as follows:

	Australia A$'000	Canada A$'000	Total A$'000
Year of expiry			
Income tax losses			
Later than ten years and not later than twenty years	-	7,077	7,077
Unlimited	34,768	-	34,768
	34,768	7,077	41,845
Capital tax losses			
Unlimited	109	-	109
	109	-	109
Gross amount of tax losses not recognised	34,877	7,077	41,954
Tax effect of total losses not recognised	10,463	1,769	12,232

(e) Tax Consolidation

(i) Members of the tax consolidated group and the tax sharing arrangement

Heemskirk Consolidated Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 27 July 2005. Heemskirk Consolidated Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Nature of the tax funding agreement
Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the funding of tax within the group is based on accounting profit, which is not an acceptable method of allocation under AASB Interpretation 1052.10. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under AASB Interpretation 1052, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The terms and conditions for these transactions are disclosed in Note 28(c).

(f) TOFA impact

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Company has assessed the potential impact of these changes on the group's tax position. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 September 2013 (2012: $nil).

NOTE 7: DISCONTINUED OPERATIONS

The financial information in relation to discontinued operations is summarised below:

		2013 $'000	2012 $'000
Operating loss after income tax from Spain		-	1,198
Loss on sale after income tax from Spain		-	(28)
Total loss after income tax from sale of Spain	(a)	-	1,170
Net gain/(loss) after income tax from discontinued operations		**-**	**1,170**

(a) Spain

On 12 April 2011, the company announced that a Sale and Purchase Agreement was executed with Almonty Partners LLC for the sale of its 100% owned Los Santos tungsten operations into Almonty Industries Inc. The sale was approved by shareholders on 23 May 2011 and completed on 23 September 2011.

Total consideration was $21.288 million comprising US$14.0 million cash, 5.56 million CAD$1 shares and 3.70 million CAD$1.25 warrants in Almonty Industries Inc. The shares have been classified as equity investments (refer to Note 14).

	cents per security	$'000
Consideration Received (converted to A$)		
US$14 million cash		14,344
5.56 million CAD$1 shares *	95	5,255
3.70 million CAD$1.25 warrants **	46	1,689
		21,288

* 75% of the CAD$1 shares (4.17 million) were issued under escrow until 23 March 2013 and vested at a rate of 1.39 million shares every six months commencing 23 December 2011. These are reported at fair value of $3.870 million using the listed share price and discounting this value to reflect the escrow period as described in Note 23(e).

** The warrants, which are exercisable for three years up to 23 September 2014, can be converted into fully paid shares at a conversion price of CAD$1.25 each.These are reported at fair value using the Black-Scholes Model described in Note 14(a).

*(i) The results of Spain are as follows***:*

	2013 $'000	2012 $'000
Revenue	-	2,195
Cost of sales	-	(1,161)
Gross Profit	**-**	**1,034**
Finance costs	-	(14)
Profit/(loss) before tax	**-**	**1,020**
Income tax (expense)/benefit	-	178
Profit/(loss) after tax	**-**	**1,198**
Earnings per share (EPS)		
Basic earnings per share (cents)	-	0.78
Diluted earnings per share (cents)	-	0.75

*** The transactions for the period 1 October 2011 to 30 September 2012 relate to tungsten inventory owned by the Company that was in transit to the customer at 23 September 2011 and sold during the year ended 30 September 2012.

(ii) Loss on Sale:

	2013 $'000	2012 $'000
Transaction costs	-	(28)
Loss on sale before income tax from Spain	**-**	**(28)**
Income tax expense	-	-
Loss on sale after income tax from Spain	**-**	**(28)**

(iii) The net cash flows of Spain are as follows:

	2013 $'000	2012 $'000
Net cash flows from operating activities	-	750
Net cash provided by discontinued operations	**-**	**750**

NOTE 8 : KEY MANAGEMENT PERSONNEL

(a) Compensation of key management personnel by category:

	2013 $'000	2012 $'000
Short-term employee benefits	1,451	1,822
Post-employment benefits	125	174
Share-based payments	21	6
Termination benefits	303	510
	1,900	2,512

During the year, there were nil (2012: nil) executive and other fees paid by the Company to entities controlled by directors.

(b) Equity instruments of key management personnel issued by Heemskirk Consolidated Limited:

The disclosure relating to interests in equity instruments of key management personnel includes equity instruments held by personally related entities, relatives and the spouses of relatives and any entity under the joint or several control or significant influence of the person.

All other equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

30 September 2013

	Balance 1.10.2012				Period ended 30.09.2013					Balance 30.09.2013			
Director	Ordinary Shares	Class A $0.25 Ordinary Shares	Class B $0.50 Ordinary Shares	Unsecured Convertible Notes	Class A Conversion to Ordinary Shares	Class B Conversion to Ordinary Shares	Options Exercised	Net Change Other Shares(1)	Net Change Convertible Notes(2)	Ordinary Shares	Class A $0.25 Ordinary Shares	Class B $0.50 Ordinary Shares	Unsecured Convertible Notes
Peter Bird	5,952,659	-	-	-	-	-	-	-	-	5,952,659	-	-	-
Garry Cameron	175,000	-	-	-	-	-	-	-	-	175,000	-	-	-
William (Lex) Hansen	268,466	100,000	500,000	-	-	-	-	-	-	268,466	100,000	500,000	-
Graham Lenzner	900,000	-	-	-	-	-	-	-	-	900,000	-	-	-
John Taylor	500,000	-	-	-	-	-	-	-	-	500,000	-	-	-
Total	7,796,125	100,000	500,000	-	-	-	-	-	-	7,796,125	100,000	500,000	-

	1.10.2012		Period ended 30.09.2013			Balance 30.09.2013	
Executive	Ordinary Shares	Employee Share Plan (vested)	Employee Share Plan(3)	Employee Share Plan (expired)	Net Change Other Shares(1)	Ordinary Shares	Employee Share Plan (vested)
Mark Flook	1,950,001	-	54,216	-	-	1,950,001	54,216
Stephen Gray	39,893	54,194	57,764	-	-	39,893	111,958
Alan Minty	191,734	-	-	-	-	191,734	-
Colin Walker	-	36,054	-	(36,054)	-	-	-
Total	2,181,628	90,248	111,980	(36,054)	-	2,181,628	166,174

(1) Net change other refers to shares purchased or sold during the financial year.
(2) Net change refers to unsecured convertible notes purchased, sold or redeemed during the financial year.
(3) Ordinary shares vested during the period ended 30 September 2013 under the Employee Share Plan.

30 September 2012

	Balance 1.10.2011				Period ended 30.09.2012					Balance 30.09.2012			
Director	Ordinary Shares	Class A $0.25 Ordinary Shares	Class B $0.50 Ordinary Shares	Unsecured Convertible Notes	Class A Conversion to Ordinary Shares(4)	Class B Conversion to Ordinary Shares(4)	Options Exercised	Net Change Other Shares(1)	Net Change Convertible Notes(2)	Ordinary Shares	Class A $0.25 Ordinary Shares	Class B $0.50 Ordinary Shares	Unsecured Convertible Notes
Peter Bird (4)	5,952,659	-	-	-	-	-	-	-	-	5,952,659	-	-	-
Garry Cameron	50,000	-	-	-	-	-	-	125,000	-	175,000	-	-	-
William (Lex) Hansen	268,466	100,000	500,000	-	-	-	-	-	-	268,466	100,000	500,000	-
Graham Lenzner	700,000	-	-	-	-	-	-	200,000	-	900,000	-	-	-
Kevin Robinson (5)	7,604,321	-	-	-	-	-	-	(7,604,321)	-	-	-	-	-
John Taylor	300,000	-	-	-	-	-	-	200,000	-	500,000	-	-	-
Total	14,875,446	100,000	500,000	-	-	-	-	(7,079,321)	-	7,796,125	100,000	500,000	-

	1.10.2011		Period ended 30.09.2012			Balance 30.09.2012	
Executive	Ordinary Shares	Employee Share Plan (vested)	Employee Share Plan(3)	Employee Share Plan (expired)	Net Change Other Shares(1)	Ordinary Shares	Employee Share Plan (vested)
Mark Flook	1,950,001	-	-	-	-	1,950,001	-
Stephen Gray (6)	39,893	54,194	-	-	-	39,893	54,194
Andrew McIlwain (7)	-	250,000	-	(250,000)	-	-	-
Alan Minty	191,734	-	-	-	-	191,734	-
Colin Walker	-	22,097	13,957	-	-	-	36,054
Total	2,181,628	326,291	13,957	(250,000)	-	2,181,628	90,248

(1) Net change other refers to shares purchased or sold during the financial year.
(2) Net change refers to unsecured convertible notes purchased, sold or redeemed during the financial year.
(3) Ordinary shares vested during the period ended 30 September 2012 under the Employee Share Plan.
(4) Peter Bird classified as Director for 2012 following his appointment to the Board on 1 December 2011.
(5) Kevin Robinson retired as Director for 2012 following his retirement from the Board on 1 December 2011.
(6) Stephen Gray opening balance on appointment to Company Secretary on 1 June 2012.
(7) Andrew McIlwain retired on 8 March 2011.

NOTE 9: DIVIDENDS PAID AND PROPOSED

	2013 $'000	2012 $'000
(a) Recognised amounts		
Declared during the year:		
Dividends on ordinary shares:		
Final fully franked dividend in respect of 2012: 0 cents (2011: 0 cents)	-	-
Paid during the year		
Dividends on ordinary shares:		
Final fully franked dividend in respect of 2012: 0 cents (2011: 0 cents)	-	-
(b) Franking credit balance		
Franking credit balance as at 30 September	866	866

(c) Tax rates

The tax rate at which paid dividends have been franked is 30% (2012: 30%).

NOTE 10: EARNINGS PER SHARE

(a) Earnings used in calculating earnings per share	**2013 $'000**	**2012 $'000**
The following reflects the income used in the basic earnings per share computations:		
For basic earnings per share:		
Net profit/(loss) from continuing operations	(3,917)	(3,389)
Net profit/(loss) from discontinued operations	-	1,170
Net profit/(loss)	(3,917)	(2,219)
For diluted earnings per share:		
Net profit/(loss) (from basic EPS)	(3,917)	(3,389)
Tax effect interest on unsecured convertible notes - liability	208	219
Net profit/(loss)	(3,709)	(3,170)

(b) Weighted average number of shares	**2013** *Thousands*	**2012** *Thousands*
Weighted average number of ordinary shares for basic earnings per share	154,139	154,139
Effect of dilution:		
Converted debt securities	5,667	5,667
Reserved shares	134	89
Weighted average number of ordinary shares for the effect of dilution	159,940	159,895

(c) Earnings per share (EPS)	**2013** *Cents per share*	**2012** *Cents per share*
Basic EPS from continuing operations	(2.54)	(2.20)
Basic EPS from discontinued operations	-	0.76
Diluted EPS from continuing operations	(2.54)	(2.20)
Diluted EPS from discontinued operations	-	0.76

Because diluted earnings per share is increased when taking the unsecured converting notes into account, the unsecured converting notes are anti-dilutive and as such are excluded from the calculation of diluted earnings per share.

NOTE 11: CASH AND CASH EQUIVALENTS

	2013 $'000	2012 $'000
Cash at bank and in hand	982	4,340
Short term deposit	7,520	5,086
Total cash and cash equivalents as per the statement of cash flows	8,502	9,426

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

The NAB short term deposit attracts interest at 3.7% (2012: 3.8%) and matures December 2013.

NOTE 12: TRADE AND OTHER RECEIVABLES

		2013 $'000	2012 $'000
Current			
Trade receivables	*(i) (ii)*	3,928	1,693
Goods and services tax		38	28
Other debtors		20	83
		3,986	1,804

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

Refer to Note 23(c) for the Company's material credit risk exposure.

(i) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. There was a $0.036 million impairment loss for 2013 (2012: $0.021 million).

(ii) Employee loan receivable

Includes related party receivable and provision for impairment loss, details refer to note 28(d).

NOTE 13: INVENTORIES

	2013 $'000	2012 $'000
Current		
Raw materials and stores (at cost or NRV)	5,468	4,251
Finished goods (at cost or NRV)	466	256
Total inventories at cost and net realisable value	5,934	4,507

Inventory expense

Inventories recognised as an expense for continuing operations for the year ended 30 September 2013 totalled $19.007 million (2012: $13.716 million) for the Company. This expense has been included in the cost of sales from continuing operations line item as a cost of inventories.

Inventory write-downs recognised as an expense totalled $0.012 million (2012: $nil).

NOTE 14: OTHER FINANCIAL ASSETS

		2013 $'000	2012 $'000
Current			
Equity investments	(a)	6,353	7,087
Term deposit	(b)	78	4,236
		6,431	11,323

(a) Equity investments comprise financial assets measured at fair value through profit and loss

Current			
Listed investments	*(i)*	5,690	5,891
Unlisted investments (Almonty warrants)	*(ii)*	663	1,196
		6,353	7,087

(i) Listed shares

The fair value of listed equity investments has been determined per Note 1(h)(i).

(ii) Unlisted shares and warrants

Valuation assumptions
The fair value of warrants has been estimated using the Black-Scholes Model taking into account the terms and conditions upon which the warrants were issued. The valuation is determined by reference to comparable share price volatilities.

(b) Term Deposits

	2013 $'000	2012 $'000
Current		
Term Deposit - NAB	78	4,236

The NAB current term deposit attracts interest at 3.7% (2012: 3.8 %) and matures 1 October 2014.

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amounts at the beginning and end of the period

	Freehold Land $'000	Buildings $'000	Plant and Equipment $'000	Computer Hardware and Software $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
Year ended 30 September 2013							
At 1 October 2012, net of accumulated depreciation	2,601	872	2,755	104	56	10	6,398
Additions	18	175	252	28	135	-	608
Disposals at written-down value	-	-	(5)	-	-	-	(5)
Depreciation charge for the year	-	(60)	(703)	(61)	(64)	(8)	(896)
Foreign currency increase / (decrease)	158	58	182	1	8	-	407
At 30 September 2013 net of accumulated depreciation	2,777	1,045	2,481	72	135	2	6,512
At 30 September 2013							
Cost or fair value	2,777	1,334	6,297	267	658	116	11,449
Accumulated depreciation	-	(289)	(3,816)	(195)	(523)	(114)	(4,937)
Net carrying amount	2,777	1,045	2,481	72	135	2	6,512
Year ended 30 September 2012							
At 1 October 2011, net of accumulated depreciation	2,622	926	3,334	114	78	18	7,092
Additions	-	42	205	53	-	-	300
Disposals at written-down value	-	(31)	(131)	(24)	-	-	(186)
Depreciation charge for the year	-	(57)	(627)	(39)	(21)	(8)	(751)
Foreign currency increase / (decrease)	(21)	(8)	(27)	-	(1)	-	(56)
At 30 September 2012 net of accumulated depreciation	2,601	872	2,754	104	56	10	6,398
At 1 October 2011							
Cost or fair value	2,622	1,098	6,249	214	559	119	10,860
Accumulated depreciation	-	(172)	(2,915)	(100)	(481)	(100)	(3,768)
Net carrying amount	2,622	926	3,334	114	78	19	7,092
At 30 September 2012							
Cost or fair value	2,601	1,083	5,794	237	554	117	10,386
Accumulated depreciation	-	(211)	(3,040)	(133)	(498)	(107)	(3,988)
Net carrying amount	2,601	872	2,754	104	56	10	6,398

(b) Property, plant and equipment pledged as security for liabilities

Plant and equipment with a carrying amount of $6.026 million (2012: $5.849 million) is pledged as securities for non-current liabilities as disclosed in Note 18(e).

NOTE 16: EXPLORATION, EVALUATION AND MINE DEVELOPMENT

Reconciliation of carrying amounts at the beginning and end of the period

	Exploration and Evaluation $'000	Mine Development $'000	Total $'000
YEAR ENDED 30 SEPTEMBER 2013			
At 1 October 2012, net of accumulated amortisation	3,253	542	3,795
Additions	988	1	989
Amortisation charge for the year	-	(39)	(39)
Foreign currency increase/(decrease)	387	35	422
At 30 September 2013, net of accumulated amortisation	4,628	539	5,167
At 30 September 2013			
Cost or fair value	4,628	899	5,527
Accumulated amortisation	-	(360)	(360)
Net carrying amount	4,628	539	5,167
YEAR ENDED 30 SEPTEMBER 2012			
At 1 October 2011, net of accumulated amortisation	967	569	1,536
Additions	2,221	38	2,259
Amortisation charge for the year	-	(61)	(61)
Foreign currency increase/(decrease)	65	(4)	61
At 30 September 2012, net of accumulated amortisation	3,253	542	3,795
At 1 October 2011			
Cost or fair value	967	808	1,775
Accumulated amortisation	-	(239)	(239)
Net carrying amount	967	569	1,536
At 30 September 2012			
Cost or fair value	3,253	840	4,093
Accumulated amortisation	-	(298)	(298)
Net carrying amount	3,253	542	3,795

NOTE 17: TRADE AND OTHER PAYABLES

		2013 $'000	2012 $'000
Current			
Trade payables	*(i)*	3,045	1,848
Sundry creditors and accrued expenses		3,302	2,026
		6,347	3,874

(i) *Trade and sundry creditors*
Trade payables, sundry creditors and accrued expenses are non-interest bearing and are normally settled on 30 to 45 day terms.

NOTE 18: INTEREST BEARING LOANS AND BORROWINGS

		2013 $'000	2012 $'000
Current			
Secured Liabilities			
Obligations under finance leases and hire purchase contracts (Note 24)		7	15
Bank overdraft	(a)	2,295	2,112
Unsecured Liabilities			
Convertible notes - unsecured	(b)	2,842	2,739
Other loans (unsecured)		-	115
		5,144	4,981
Non-current			
Secured Liabilities			
Obligations under finance leases and hire purchase contracts (Note 24)		15	18
Unsecured Liabilities			
Convertible notes - unsecured		-	159
		15	177

For terms and conditions attached to each type of borrowing, refer to section (b) below and to Note 24 for finance leases.

(a) Terms and conditions

The bank overdraft is secured by a floating charge and a first mortgage as described in section (e) below.

(b) Convertible notes - unsecured comprise:

On 31 March 2011, the Company issued 1,889,000 unsecured convertible notes with an issue price of $2.00. Each unsecured convertible note may be converted into 3 ordinary shares and $1.45 cash every six months commencing 31 December 2012. If there are any unsecured convertible notes outstanding at maturity, 31 March 2015, the Company will convert them for 3 fully paid ordinary shares and $1.45 cash per note. The notes attract interest at 10.25% per annum paid semi annually.

Unsecured convertible notes are disclosed based on the potential impact on liquidity, such as when cash payments are due within one year they are disclosed as current liabilities.

The fair value of the unsecured convertible notes approximates its carrying value.

(d) **Financing facilities available**

At reporting date, the following financing facilities had been negotiated and were available:

	2013 $'000	2012 $'000
Total facilities:		
Bank overdraft	6,254	4,881
Loans and finance leasing	542	635
	6,796	5,516
Facilities used at reporting date:		
Bank overdraft	2,295	2,112
Letter of credit	2,142	-
Loans and finance leasing	21	146
	4,458	2,258
Facilities unused at reporting date:		
Bank overdraft	1,816	2,768
Loans and finance leasing	521	488
	2,337	3,256

(e) **Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	2013 $'000	2012 $'000
Current		
Floating charge		
Cash and cash equivalents	313	1,319
Inventory	5,934	4,409
Receivables	3,807	1,693
Total current assets pledged as security	10,054	7,421
Non-current		
Fixed charge or security interest		
Land	2,397	2,245
Buildings	1,046	869
Plant and equipment	2,567	2,710
Finance Lease		
Plant and equipment	16	25
Total non-current assets pledged as security	6,026	5,849
Total assets pledged as security	16,080	13,270

NOTE 19: PROVISIONS

	2013 $'000	2012 $'000
Current		
Annual leave	375	322
Long service leave	145	108
Contingent settlement	-	104
	520	534
Non-current		
Long service leave	8	21
Restoration	69	113
	77	134

(a) Movements in provisions

Movements in restoration provision during the financial year:

	Restoration $'000
At 1 October 2012	113
Unwinding of discount	11
Change in discount rate	(55)
At 30 September 2013	69
Current 2013	-
Non-current 2013	69
	69
Current 2012	-
Non-current 2012	113
	113

(b) Nature and timing of provisions

Employee benefits
A provision is recognised for annual leave and long service leave when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent Settlement
Related party receivable details refer to Note 28(d).

NOTE 20: CONTRIBUTED EQUITY

		2013 $'000	2012 $'000
154,104,876 (2012: 154,104,876) fully paid ordinary shares	(a)	79,842	79,842
2,088,860 (2012: 2,088,860) reserved shares	(b)	(677)	(677)
100,000 (2012: 100,000) Class A $0.25 ordinary shares (paid to $0.01)	(c)	1	1
1,500,000 (2012: 1,500,000) Class B $0.50 ordinary shares (paid to $0.01)	(d)	15	15
1,889,000 (2012: 1,889,000) Converting notes unsecured, matures 31/03/2015	(e)	2,003	2,003
		81,184	81,184

(a) Ordinary shares

	Shares thousands	$'000
At 1 October 2011	154,105	79,842
At 30 September 2012	154,105	79,842
As at 30 September 2013	154,105	79,842

Unissued shares

There are no remaining options over unissued ordinary shares of the parent entity or obligations in contract to issue ordinary shares in the parent entity, other than those attributed to the unsecured converting notes.

Voting and other rights

At meetings of members each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

When managing capital, the Board'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. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

(b) Reserved shares

		Shares thousands	$ '000
At 1 October 2011		2,089	(677)
1 March 2012 - ESP shares expired and used for issue		(428)	(60)
1 March 2012 - ESP - shares issued	(i)	428	60
31 March 2012 - ESP assigned		-	-
At 1 October 2012		2,089	(677)
1 March 2013 - ESP shares expired and used for issue		(675)	-
1 March 2013 - ESP - shares issued	(i)	675	-
31 March 2013 - ESP assigned		-	-
At 30 September 2013		2,089	(677)

The Company's own equity instruments are reacquired for later use in employee share-based payment arrangements (reserved shares) and are deducted from equity.

(i) The shares were issued at a price of 12 (2012: 14) cents per share. Under current accounting standards and pronouncements 'fair value' of the issue is recognised as an employee benefit expense over the term of the benefit. The standards and pronouncements also require that equity be recognised at fair value at the date of the grant and that additional amounts are only recognised upon re-payment of the loan provided.

Vesting

The employee shares issued are under the terms described in Note 21(b).

Voting and other rights

Employee shares

- participate in dividends on the same basis as holders of ordinary shares and the proceeds on winding up of the parent entity in proportion to the number of shares held;
- carry the right to participate in new issues of securities to holders of ordinary shares on the same basis as holders of ordinary shares; and
- do not have the right to vote at meetings of members of the parent entity.

(c) Class A $0.25 ordinary shares

	Shares thousands	$'000
Partly paid		
At 1 October 2012	100	1
At 30 September 2013	100	1

(d) Class B $0.50 ordinary shares

	Shares thousands	$'000
Partly paid		
At 1 October 2012	1,500	15
At 30 September 2013	1,500	15

Issue terms

Each partly paid share:

- was issued at 1 cent;
- at 30 September 2013 has an amount unpaid of:
  - (i) for Class A partly paid shares - 24.00 cents; and
  - (ii) for Class B partly paid shares - 49.00 cents.

(e) Convertible and converting notes - unsecured	*Shares thousands equivalent*	**$'000**
At 1 October 2011	5,667	2,003
At 1 October 2012	5,667	2,003
At 30 September 2013	5,667	2,003

The unsecured convertible and converting notes issued contain both an equity and a debt component. The balance of $2.003 million (2012: $2.003 million) represents the component of the notes recognised directly in equity. The liability component of the notes is reflected in interest bearing loans and borrowings (refer to Note 18).

Voting and other rights

- carries the right to participate in new issues of securities to holders of shares (except bonus issues) on the same basis as holders of ordinary shares;
- carries the right to participate in bonus issues of securities in the proportion which the amount paid bears to the total amounts paid and payable;
- carries the right to vote in the proportion which the amount paid bears to the total amounts paid and payable; and
- carries the right upon conversion to ordinary shares to receive dividends and distributions in the proportion which the amount paid bears to the total amounts paid and payable.

NOTE 21: SHARE BASED PAYMENT PLAN

	2013 $'000	2012 $'000
(a) Recognised share-based payment expenses		
The expense recognised for employee services received during the year is shown in the table below:		
Expense arising from equity-settled share-based payment transactions	33	14
Total expense arising from share-based payment transactions	33	14

The share-based payment is described below.

(b) Types of share-based payment

Employee Share Plan ("ESP")

Shares may be granted to employees, with more than 12 months' service, to align interests with those of share holders to increase the value of the Company's shares. Under the terms of grant, the share price was set by reference to the market price of the shares on the date of grant and previous share issues by the Company. The shares were issued as restricted securities. There are no ongoing performance hurdles governing vesting other than the continued employment of the employee. Subject to that continuing employment the shares issued vest automatically on the anniversary of the issue date at the rate of 25% each year.

If an employee ceases employment prior to the vesting of the shares, the unvested shares are forfeited unless cessation of employment is due to death. In the event of a change of control the vesting period dates may be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period.

Employee Share Loans ("ESL")

Under the ESP an interest free loan is made to the employee to fund the acquisition of shares in the Company. 70% of dividends are required to be applied to the loan reduction and the loan balance must be paid out from share sale proceeds. If the share sale proceeds are less than the value of the loan, the employee pays the balance of the loan. If the loan balance is not retired, the employee is unable to receive any benefit from the shares. If an employee leaves prior to vesting of shares then the shares are forfeited and the loan is cancelled.

(c) Summary of ESP shares granted

The following table illustrates the number (No.) and weighted average issue prices (WAIP) of, and movements in, shares issued during the year:

	2013 ***No.***	2013 *WAIP*	2012 ***No.***	2012 *WAIP*
Outstanding at the beginning of the year	620,947	0.26	553,695	0.43
Granted during the year	674,620	0.12	427,916	0.14
Expired during the year	(106,125)	-	(360,664)	-
Outstanding at the end of the year	1,189,442	0.17	620,947	0.26

* The weighted average share price at the date of issue, and the 4 days prior to issue, was $0.11 (2012: $0.13). The weighted average of the remaining contractual life of ESP shares granted is 1.5 (2012: 1.4) years.

(d) Weighted average fair value

The provision of the non-recourse loan has required that the ESP shares issued be treated as if the issue was a grant of options on the relevant date. Under those principles the fair value of ESP issued during the year was $0.02 (2012: $0.02).

(e) Fair Value pricing model: ESP

Equity-settled transactions

The fair value of the equity-settled ESP shares issued is estimated as at the date of grant using a Binomial Model taking into account the terms and conditions upon which the shares were issued. The model takes into account the historic share price volatilities and implied dividend yields.

The following table lists the key assumptions to the model used for the year ended 30 September 2013:

Model used	Binomial
Forecast dividend yield (%)	0.00
Expected volatility (%)	110.00
Risk-free interest rate (%)	2.85
Expected life (years)	4.00
Employee exit rate (%)	60.00
Exercise multiple (times)	1.00
Issue price ($)	0.12
Weighted average share price at measurement date ($)	0.11

The following table lists the key assumptions to the model used for the year ended 30 September 2012:

Model used	Binomial
Forecast dividend yield (%)	0.00
Expected volatility (%)	60.00
Risk-free interest rate (%)	4.00
Expected life (years)	4.00
Employee exit rate (%)	39.00
Exercise multiple (times)	1.00
Issue price ($)	0.14
Weighted average share price at measurement date ($)	0.13

Forecast dividend has been based on dividend history over the previous 3 years. The rate assumed is an expected average over the four-year period and is based on market yields generally found in resource-based operating companies. This may not necessarily be an outcome as the Company has not announced a stated dividend policy. The expected volatility was determined using an historical sample of 80 week-end Company share prices. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected life of the option is equivalent to the maximum period when all shares will vest. Accordingly there is no discount for vesting shares during the term. As the shares have been issued, and not subject to further election to exercise the exercise multiple has been taken as a 1:1 (2012: 1:1) relationship.

NOTE 22: RETAINED EARNINGS AND RESERVES

(a) Movement in retained earnings were as follows:

	2013 $'000	2012 $'000
Balance 1 October	(55,957)	(53,738)
Net profit/(loss)	(3,917)	(2,219)
Dividends	-	-
Balance 30 September	(59,874)	(55,957)

(b) Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements in the fair value of land.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign-controlled subsidiaries.

In accordance with the requirements of the accounting standards, foreign currency translation gains/(losses) remain deferred in equity until the disposal of the foreign operation, at which point they are recognised in the statement of comprehensive income.

Employee equity benefits reserve

The Company has an employee share based payment plan in place. The employee equity benefits reserve is used to recognise the value of equity settled share based payment tranasctions provided to employees - refer Note 21.

NOTE 23: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are outlined in Note 2.

Risk Exposures and Responses

(a) Interest rate risk

The Company's exposure to market interest rates relates primarily to the Company's bank overdraft and cash and cash equivalents. The level of debt is disclosed in Note 18.

At balance date, the Company had the following mix of financial assets and liabilities exposed to interest rate risk:

	2013 $'000	2012 $'000
Financial Assets		
Cash and cash equivalents	8,502	9,426
	8,502	9,426
Financial Liabilities		
Bank overdrafts	(2,295)	(2,112)
	(2,295)	(2,112)
Net exposure	6,207	7,314

The Company's policy is to manage its finance costs using a mix of fixed and variable rate debt.

The Company maintains a high level of borrowings at fixed rates through the issue of unsecured convertible notes. At 30 September 2013 approximately 55% (2012: 56%) of the Company's borrowings are at a fixed rate of interest.

The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

At 30 September 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
Judgements of reasonably movements:	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Consolidated				
+1% (100 basis points)	43	51	43	51
-1% (100 basis points)	(43)	(51)	(43)	(51)

The sensitivity is lower in 2013 than 2012 because of a decrease in net exposure.

(b) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The majority of the Company's revenues are denominated in AUD and CAD dollars whereas the majority of costs are in AUD, CAD and US dollars.

The Company's balance sheet can be affected by movements in the A$/CAD$ and CAD$/US$ exchange rates.

Approximately nil% (2012: nil%) of sales and 59% (2012: 45%) of costs are denominated in currencies other than the functional currency of the individual entities.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Company's financial position.

At 30 September 2013, the carrying amounts of the Company's CAD$ and US$ financial assets and liabilities are as follows:

	Canadian dollars		**US dollars**	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Financial Assets				
Cash and cash equivalents	301	136	277	1,084
Equity investments	5,807	6,301	-	-
	6,108	6,437	277	1,084
Financial Liabilities				
Trade and other payables	-	-	(4,134)	(2,623)
Other financial liabilities	-	-	-	-
Bank overdraft	-	-	-	-
	-	-	(4,134)	(2,623)
Net exposure	6,108	6,437	(3,857)	(1,539)

At 30 September 2013, if the Canadian and United States Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		**Equity Higher/(Lower)**	
Judgements of reasonably possible movements:	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**
Consolidated				
AUD/CAD +10%	(427)	(451)	(427)	(451)
AUD/CAD -10%	427	451	427	451
CAD/USD +10%	270	110	270	110
CAD/USD -10%	(270)	(110)	(270)	(110)

The movements in the profit in 2013 is more sensitive than 2012 due to a increase in the net exposure.

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial statements.

(c) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The Company's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company trades only with recognised, creditworthy third parties, and such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables.

It is the Company's policy that all customers who wish to trade on credit terms are subject to verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

Receivables are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There was a $0.036 million impairment for 2013 and $0.021 million for 2012 (refer to Note 12) .

The majority of the Company's receivables are due from customers in Canada, however, as a result of the Company's credit policy, this credit risk is believed to be minimal. At balance date there was one customer that accounted for 26% (2012: 39%) of the Company's receivables.

The Company limits its counterparty credit risk on liquid funds and derivative financial instruments by dealing with banks or financial institutions with credit ratings of at least B+ equivalent.

The ageing of trade and other receivables at the reporting date was as follows:

		Past due not impaired			
	Not Past Due $'000	Between 30 and 90 days $'000	Over 91 days $'000	Considered impaired $'000	Total $'000
2013					
Trade Receivables	3,197	716	15	-	3,928
Other Receivables	58	-	-	-	58
2012					
Trade Receivables	1,614	79	-	-	1,693
Other Receivables	111	-	-	-	111

(d) Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet the Company's financial commitments in a timely and cost-effective manner. The Company's objective is to maintain a balance between continuity and flexibility through the use of bank overdrafts, equity investments and issue of unsecured converting notes.

The Company manages its liquidity risk by monitoring the total cash inflows and outflows by producing monthly cash flow forecasts forward for a minimum of twelve months.

The following maturity analysis reflects all contractually fixed pay-offs, repayments and interest resulting from recognised financial liabilities and recognised financial guarantees as at balance date. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract. Where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company is required to pay. When the Company is committed to make amounts available in instalments, each instalment is allocated in the earliest period in which the Company is required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's ongoing operations such as mine development, property plant and equipment and investments in working capital (e.g. inventories and receivables).

Liquid non-derivative assets comprising cash and receivables are considered in the Company's overall liquidity risk. The Company ensures that sufficient liquid assets are available to meet all required short-term cash payments.

Included in Note 18(d) is a list of undrawn facilities that the Company has had at its disposal to manage liquidity risk.

The following table reflects all contractually fixed repayments and interest resulting from recognised financial assets and financial liabilities.

2013	**Within 1 year $'000**	**1-5 years $'000**	**Total $'000**
Liquid Financial Assets			
Cash and cash equivalents	8,502	-	8,502
Trade and other receivables	3,986	-	3,986
Other financial assets	78	-	78
	12,566	-	12,566
Trade and other payables	(6,347)	-	(6,347)
Interest loans and borrowings*	(5,531)	(15)	(5,546)
	(11,878)	(15)	(11,893)
Net inflow/(outflow)	**688**	**(15)**	**673**

*Excludes unsecured converting notes equity component of $1.039 million.

2012	**Within 1 year $'000**	**1-5 years $'000**	**Total $'000**
Liquid Financial Assets			
Cash and cash equivalents	9,426	-	9,426
Trade and other receivables	1,804	-	1,804
Other financial assets	4,236	-	4,236
	15,466	-	15,466
Trade and other payables	(3,874)	-	(3,874)
Interest loans and borrowings*	(5,368)	(696)	(6,064)
	(9,242)	(696)	(9,938)
Net inflow/(outflow)	**6,224**	**(696)**	**5,528**

*Excludes unsecured converting notes equity component of $1.039 million.

(e) Fair value

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1)	Valuation technique - market observable inputs (Level 2)	Valuation technique - non market observable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
2013				
Financial assets				
Derivative instruments				
Fx forward contracts	-	-	-	-
Equity investments				
Listed investments - current	5,690	-	-	5,690
Unlisted investments	-	-	663	663
	5,690	-	663	6,353
Financial liabilities				
Fx forward contracts	-	22	-	22
	-	**22**	**-**	22

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Company uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Reconciliation of Level 3 fair value movements

	2013 $'000
Opening balance	2,425
Transferred to quoted market price level 1	(1,202)
Total gains/(losses)	(560)
Closing balance	663

(f) Price risk

The Company's earnings are exposed to price fluctuations, in particular to equity investments.

The following table details the carrying amount of financial instruments as at the reporting date for the group, impacted by price risk:

		2013 $'000	2012 $'000
Financial assets			
Equity investments	*(i)*	6,353	7,087
Total financial assets		6,353	7,087
Disclosed as:			
Current		6,353	7,087
Non-current		-	-
		6,353	7,087
Financial derivative liabilities			
Currency forward contracts		22	17
Total financial derivative liabilities		22	17
Disclosed as:			
Current		22	17
Non-current		-	-
		22	17

(i) Equity investments

Price risk arises from the investments in equity securities. The policy of the Company is to maintain exposure to equity price movements. The majority of the equity investments are publicly traded either on the ASX or other global exchanges.

At 30 September 2013, if prices had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Judgements of reasonably movements:				
Prices +10%	445	496	445	496
Prices -10%	(445)	(496)	(445)	(496)

NOTE 24: COMMITMENTS AND CONTINGENCIES

	2013 $'000	2012 $'000
(a) Commitments		
(i) Leasing commitments		
Operating leases payable:		
- within one year	384	383
- after one year but not more than five years	419	641
- after more than five years	-	-
Total minimum lease payments	803	1,024

The operating leases comprise property leases and various equipment leases.

The property leases are non-cancellable leases with five-year terms, with rent payable monthly in advance.

Rental provisions within the Australian property lease agreement require the minimum lease payments shall be increased by 4% per annum. An option exists to renew the Australian lease at the end of the five-year term for an additional term of five years.

Rental provisions within the Canadian property lease agreement require the minimum lease payments shall be increased by 5% per annum. An option exists to renew the Canadian lease at the end of the five-year term for an additional term of five years.

The equipment leases are non-cancellable leases with a five-year term, with rent payable either monthly or quarterly in advance.

Finance leases

The finance leases comprise various equipment leases.

	2013 *Minimum lease payments* $'000	2013 *Present value of lease payments* $'000	2012 *Minimum lease payments* $'000	2012 *Present value of lease payments* $'000
- within one year	7	7	15	15
- after one year but not more than five years	15	14	18	16
Total minimum lease payments	22	21	33	31
Less amounts representing finance charges	(1)	-	(2)	-
Present value of minimum lease payments	21	21	31	31

(ii) Property, plant and equipment commitments

The Company had $nil (2012: $nil) contractual obligations at balance date.

(iii) Exploration commitments

The Company had $nil (2012: $nil) exploration commitments at balance date.

NOTE 25: FAIR VALUE

Fair values

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represents a reasonable approximation of fair value unless otherwise stated in the applicable notes.

NOTE 26: AUDITORS' REMUNERATION

	2013 $	2012 $
The auditor of Heemskirk Consolidated Limited is Ernst & Young.		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- an audit or review of the financial report of the entity and any other entity in the consolidated group	145,600	140,000
Amounts received or due and receivable by Ernst & Young (Canada) for:		
- an audit or review of the financial report of the entity and any other entity in the consolidated group	69,700	66,900
	215,300	206,900

NOTE 27: SEGMENT INFORMATION

Management has determined the operating segments based on reports reviewed by executive management (Chief Operating Decision Maker) for making strategic decisions. The executive management team comprises the Board of directors and executive general managers. The executive management team monitors the business based on product and geographic factors and have identified four reportable segments.

Corporate charges are allocated to the Mining segments on a proportional basis linked to management time spent on each Mining segment.

Mining Canada

This segment covers operations 100% owned by the Company concerned with the mining and processing of Industrial Mineral Products. Lethbridge and Moberly sites have been aggregated on the segment report.

Portfolio

This segment covers the investment in listed and unlisted Resource Equities.

Corporate

This segment covers all other corporate activities.

Mining Spain

This segment covered operations 100% owned by the Company concerned with the exploration and mining of Tungsten.

Further information relating to discontinued operations can be found in Note 7.

Major Customers

Mining Canada has one customer that accounts for 26% of consolidated revenue (2012: 39%)

(a) Segment Results and Segment Assets

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured on the net profit or loss after tax.

Segment accounting policies are the same as those applied across the group with the exception of gains/losses on investments which are treated as segment revenue.

Segment information provided to the executive management team for the year ended 30 September 2013 is as follows:

NOTE 27: SEGMENT INFORMATION CONTINUED

30 September 2013		Mining Canada $'000	Portfolio $'000	Corporate $'000	Total Continuing Operations $'000	Mining Spain $'000	Total Discontinued Operations $'000	Consolidated $'000
Total segment revenue	(b)	23,582	(428)	413	**23,567**	-	**-**	**23,567**
Segment Operating EBITDA*		1,733	(1,221)	(2,466)	**(1,954)**	-	-	**(1,954)**
Depreciation & amortisation		(876)	-	(59)	**(935)**	-	-	**(935)**
Finance costs		(335)	-	(437)	**(772)**	-	-	**(772)**
Corporate charges		(912)	-	912	**-**	-	-	**-**
Other indirects		46	-	(36)	**10**	-	-	**10**
Profit/(loss) before tax		**(344)**	**(1,221)**	**(2,086)**	**(3,651)**	**-**	-	**(3,651)**
Income tax expense		(266)	-	-	**(266)**	-	**-**	**(266)**
Segment profit/(loss) after tax	(c)	**(610)**	**(1,221)**	**(2,086)**	**(3,917)**	**-**	**-**	**(3,917)**
Total Assets		22,008	6,353	8,497	**36,858**	-	**-**	**36,858**
Total Liabilities		(17,519)	-	4,958	**(12,561)**	-	**-**	**(12,561)**

30 September 2012		Mining Canada $'000	Portfolio $'000	Corporate $'000	Total Continuing Operations $'000	Mining Spain $'000	Total Discontinued Operations $'000	Consolidated $'000
Total segment revenue	(b)	18,425	(591)	760	**18,594**	2,201	**2,201**	**20,795**
Segment Operating EBITDA*		2,422	(954)	(2,724)	**(1,256)**	1,040	**1,040**	**(216)**
Depreciation & amortisation		(757)	-	(55)	**(812)**	-	**-**	**(812)**
Impairment		(2)	-	(19)	**(21)**	-	**-**	**(21)**
Finance costs		(176)	-	(358)	**(534)**	-	**-**	**(534)**
Corporate charges		(729)	-	651	**(78)**	78	**78**	**-**
Other indirects		(101)	-	(30)	**(131)**	-	**-**	**(131)**
Profit/(loss) before tax		**657**	**(954)**	**(2,535)**	**(2,832)**	**1,118**	**1,118**	**(1,714)**
Income tax expense		(504)	-	(1)	**(505)**	-	**-**	**(505)**
Segment profit/(loss) after tax	(c)	**153**	**(954)**	**(2,536)**	**(3,337)**	**1,118**	**1,118**	**(2,219)**
Total Assets		17,791	7,087	12,636	**37,514**	-	**-**	**37,514**
Total Liabilities		(4,972)	-	(5,157)	**(10,129)**	-	**-**	**(10,129)**

* Operating EBITDA is earnings before interest expense, income tax, depreciation, amortisation charges and other indirect expenses.

NOTE 27: SEGMENT INFORMATION (CONTINUED)

			30 September 2013 $'000	30 September 2012 $'000
(b)	**Segment revenue reconciliation to statement of comprehensive income**			
	Mining Canada	(i)	23,586	18,383
	Corporate	(ii)	404	753
	Portfolio	(iii)	-	-
	Total Revenue from continuing operations per statement of comprehensive income		**23,990**	**19,136**
(i)	*Mining Canada*			
	Sale of goods		23,586	18,383
	Interest received/(paid)		-	-
	Mining Canada Revenue included in revenue from continuing operations		23,586	18,383
	Other income/(expense)		(4)	42
	Total Segment Revenue - Mining Canada		23,582	18,425
(ii)	*Corporate*			
	Interest received		404	753
	Corporate Revenue included in revenue from continuing operations		404	753
	Corporate activities recognised in Mining Spain		-	-
	Other income/(expense)		9	7
	Total Segment Revenue - Corporate		413	760
(iii)	*Portfolio*			
	Dividends received		-	-
	Portfolio Revenue included in revenue from continuing operations		**-**	**-**
	Net gains/(losses) on equity investments		(428)	(591)
	Other income/(expense)		-	-
	Total Segment Revenue - Portfolio		(428)	(591)
(iv)	*Discontinued operations*			
	Mining Spain revenue		-	2,201
	Corporate activities recognised in Mining Spain		-	-
	Total Segment Revenue - Mining Spain		-	2,201
	Total Segment Revenue - Discontinued operations		-	2,201
	Total Segment Revenue		**23,567**	**20,795**
(c)	**Segment net operating profit after tax reconciliation to the statement of comprehensive income**			
	Segment profit/(loss) after tax from continuing operations		(3,917)	(3,337)
	Corporate income/(charges) - eliminated on consolidation		-	78
	Corporate activities recognised in Mining Spain		-	(130)
	Profit/(loss) after tax per statement of comprehensive income from continuing operations		**(3,917)**	**(3,389)**
	Segment profit/(loss) after tax from discontinued operations		-	1,118
	Corporate income/(charges) - eliminated on consolidation		-	(78)
	Corporate activities recognised in Mining Spain		-	130
	Profit/(loss) after tax from discontinued operations per statement of comprehensive income		**-**	**1,170**

NOTE 28: RELATED PARTY DISCLOSURE

(a) Subsidiaries

The consolidated financial statements include the financial statements of Heemskirk Consolidated Limited ("ultimate parent") and the subsidiaries listed in the following table.

	Country of incorporation	% Equity Interest		Investment ($'000)	
		2013	2012	2013	2012
Heemskirk Technical Services Pty Ltd	Australia	100	100	0	0
HSK Staff Share Plan Pty Ltd	Australia	100	100	0	0
Heemskirk Canada Holdings Ltd	Canada	100	100	428	428
Heemskirk Canada Ltd	Canada	100	100	5,322	3,521
HCA Mountain Minerals (Lethbridge) Ltd	Canada	100	100	-	-
HCA Mountain Minerals (Moberly) Ltd	Canada	100	100	-	-
HCA Mountain Minerals (Nevada) Ltd	USA	100	100	-	-
Tungsten SA Pty Ltd *	Australia	-	100	-	-
HSK Trading Pty Ltd **	Australia	-	100	-	-

* Tungsten SA Pty Ltd was liquidated on 20 March 2013.

** HSK Trading Pty Ltd was liquidated on 20 March 2013.

(b) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in the directors' report and in Note 8.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those that would be available to other parties unless otherwise stated.

(d) Other transactions with directors

On 28 July 2010 Heemskirk announced that it had been decided to terminate the Founders' Plan and settlement terms have been agreed (Refer to Remuneration Report page 11). The outcome of the settlement has no net effect on shareholders' equity and no net after tax cash outflows by the Company. The reasonableness of this settlement was confirmed by an independent expert. This action has the full support of the Founders and the then Heemskirk Board.

In conjunction with the Founder's Plan settlement, loan facilities were made available to the Founder's to assist with discharging any Australian taxation liability as a result of the settlement.The draw down by the Managing Director of the facility as at 30 September 2013 is $0.279 million (2012: $nil). This facility is interest-bearing at market rates and repayable by cash or a predetermined number of pledged Company shares at a value of 50 cents per share plus termination payments. Any shortfall in repayments after the value of the loan facility has been reduced by cash, the pledged Company shares and termination payments will be waived or forgiven and treated as an expense. In the unlikely event of a termination for cause, the Company has recognised in the accounts a potential short fall in relation to the Managing Director of $0.160 million as at 30 September 2013 (2012: $0.104 million).

NOTE 29: CASH FLOW STATEMENT RECONCILIATION

	2013 $'000	2012 $'000
(a) Reconciliation of net profit after tax to net cash flows from operations		
Net (loss) after income tax	(3,917)	(2,219)
Non-cash items		
Depreciation, amortisation and impairments	983	832
Foreign exchange losses/(gains)	-	1
Employee benefits taken as equity	33	14
Non cash interest (revenue)	(24)	(85)
Net fair value change on equity investments	517	1,011
Other non cash (revenue)	(12)	(234)
Items presented as investing or financing activities		
Net (gains)/losses on equity investments	(41)	(184)
Net (profit)/loss on disposal of fixed assets	(56)	197
Net (gains)/losses on disposal of subsidiaries	1	(8)
Changes in assets and liabilities:		
(Increase)/decrease in trade debtors	(2,383)	1,049
(Increase)/decrease in other assets	55	(50)
(Increase)/decrease in inventories	(1,427)	(445)
Increase/(decrease) in trade creditors	2,067	1,048
Increase/(decrease) in other receivables	261	-
Increase/(decrease) in accruals and provisions	275	(1,361)
Increase/(decrease) in income taxes payable	(7)	(60)
(Increase)/decrease in deferred tax assets	(133)	-
Increase/(decrease) in deferred taxes payable	31	(41)
Net cash from/(used in) operating activities	(3,777)	(535)

(b) Disclosure of financing facilities

Refer to Note 18(d).

(c) Non cash financing and investing activities

Share-based payments (Note 21).

NOTE 30: PARENT ENTITY INFORMATION

	Parent 2013 $'000	Parent 2012 $'000

The summarised Income statement and Balance sheet in respect of the parent entity ("Company") is set out below.

(a) Income statement

	2013 $'000	2012 $'000
Profit/(loss) after income tax	(3,031)	(3,431)
Total comprehensive income/(loss) for the year	(3,031)	(3,431)

(b) Balance sheet

	2013 $'000	2012 $'000
Current assets	14,848	19,612
Non-current assets	13,067	11,021
Total assets	27,915	30,633
Current liabilities	3,726	3,286
Non-current liabilities	-	160
Total liabilities	3,726	3,446
Net assets	**24,189**	**27,187**
Contributed equity	82,320	82,320
Employee share based payment reserve	226	193
Retained earnings/(losses)	(58,357)	(55,326)
Total Equity	**24,189**	**27,187**

(c) Commitments

(i) Leasing commitments

Operating leases	2013 $'000	2012 $'000
Payable		
- within one year	129	130
- after one year but not more than five years	211	187
- after more than five years	-	-
Total minimum lease payments	340	317

The operating leases comprise property leases and various equipment leases.

The property leases are non-cancellable leases with five-year terms, with rent payable monthly in advance. Rental provisions within the Australian property lease agreement require the minimum lease payments shall be increased by 4% per annum. An option exists to renew the Australian lease at the end of the five-year term for an additional term of five years.

The equipment leases are non-cancellable leases with a five-year term, with rent payable monthly.

NOTE 31: EVENTS AFTER THE BALANCE SHEET DATE

There are no matters or circumstances which have arisen since 30 September 2013 that have siginificantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

I Directors' Declaration

In accordance with a resolution of the directors of Heemskirk Consolidated Limited, we state that:

1 In the opinion of the directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the consolidated entity 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 September 2013 and of its performance for the year ended on that date; and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b).

(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.

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

On behalf of the Board

Graham Lenzner
Non-Executive Chairman
Melbourne, 26 November 2013

Peter Bird
Managing Director
Melbourne, 26 November 2013

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Building a better working world

Independent auditor's report to the members of Heemskirk Consolidated Limited

Report on the financial report

We have audited the accompanying financial report of Heemskirk Consolidated Limited, which comprises the consolidated balance sheet as at 30 September 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Heemskirk Consolidated 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 September 2013 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 September 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Heemskirk Consolidated Limited for the year ended 30 September 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

RCPiltz

Rodney Piltz, Partner
Melbourne, 26 November 2013