NEO RESOURCES LIMITED

NEO RESOURCES LIMITED
(formerly ORT Limited)
ABN: 63 007 708 429

APPENDIX 4E: PRELIMINARY FINAL REPORT

2010

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period: 30 June 2010

Previous Corresponding Period: 30 June 2009

For and on behalf of the Directors

PETER TORRE
COMPANY SECRETARY

Dated: 31 August 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit (Loss)				**AUD $'000's**
Revenue from ordinary activities	down	84%	to	0.36
Profit/(Loss) from ordinary activities after tax attributable to members	up	44%	to	(931)
Net Profit/(Loss) for the period attributable to members	up	44%	to	(931)

Dividends

No dividends have been paid or declared during the financial year. The Directors do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

The net loss after income tax of the entity for the financial year was $931,295 (2009: loss $1,669,267).

The basic loss per share for the year is a loss of 0.39 cents (2009: loss per share of 0.74 cents).

Review of Operations

During the period, the Board continued to review and investigate business opportunities and projects for the Company to pursue. On 7 December 2009, the Company announced that it had entered into a Joint Venture Agreement with Oroya Mining Limited (Oroya) pursuant to which it has the right to earn up to a 70% participating interest in the Joint Venture. The Joint Venture is known as the Wiagdon Thrust Joint Venture (WTJV).

The ASX subsequently advised the Company that, in order for its shares to be reinstated to trading on ASX, it was required to obtain the approval of its Shareholders for the significant change in the nature and scale of its activities and comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

The Company also announced on 7 December 2009 a Non-Renounceable Entitlement Issue on a 1 for 1 basis to raise approximately $1.1 million. All shares pursuant to the Entitlement Issue were issued and funds raised are currently being used primarily in the funding of the Joint Venture commitments.

At a general meeting held on 23 April 2010, the Company obtained Shareholder approval for the significant change in the nature and scale of its activities, consolidation of the issued capital of the Company on a one for 10 basis, change of name of the Company to "Neo Resources Limited" (formerly ORT Limited), the issue of Shares contemplated by a Prospectus and a number of other matters. The change of name became effective on 4 May 2010. The consolidation of the Company's issued capital on a one for 10 basis was completed in May 2010 and a Prospectus to raise up to $3 million was lodged with ASIC on 23 July 2010.

In May 2010, Mr Ross Hastings was appointed to the Board of the Company. Mr Hastings is an experienced geologist with an exceptional background in project identification and development.

The Company continued to divest small parcels of its shareholding in AnaeCo Ltd in order to fund its operations throughout the first half of the year.

<u>Wiagdon Thrust Joint Venture</u>

The WTJV consists of 10 granted exploration licences currently held 100% by Oroya. It is centred upon the regional hub of Mudgee and extends from just north of Sofala in the south to Gulgong in the north, a strike distance of approximately 100km, and covers a total area of approximately 2,000km2. Both towns are noted for their exploration and mining history and the intervening country features numerous historic small hard rock and alluvial gold workings. Recorded past production from adjacent or included historical goldfields exceeds 2.1 million ounces of gold. Specifically, the Project area lies within the north-eastern part of the Hill End Trough which is noted for its gold and base-metals mineralisation.

The Wiagdon Thrust, from which the joint venture takes its name, is a major thrust fault which extends north-south (becoming the Mudgee fault north of Aarons Pass Granite) along the full coverage of the licences. This major structure (and its splay faults) dominates the regional and local geology and much of the gold and base metal anomalism recently defined by Oroya, as well as a number of historic workings, are spatially associated with this structure and almost certainly controlled by it.

Many large thrust faults are major crustal sutures of great longevity and frequent reactivation throughout geological history. They are commonly of considerable depth and are conduits into deep seated geological processes that are significant to mineralising events. Globally, there is a recognised common association of gold with major thrust faults and structural splays emanating from or parallel to them, and also with deformational and/or intrusive events responsible for or associated with those thrusts.

The Company's principal exploration objective at the WTJV is the discovery of large tonnage disseminated gold deposits. A large number of gold and gold-antimony prospects and alluvial gold deposits are known within the Project area, but despite it being within an important gold province, a review of available data indicates that there has been only very limited or no modern gold exploration, with only limited shallow and no deep drilling. This contrasts markedly to the more advanced exploration and development history of the Western Australian goldfields. Recent stream sediment sampling by Oroya has resulted in a quality, fully-validated geochemical database of drainage sediment samples, as well as a number of reconnaissance rock chip samples which were collected from selected sites of interest.

A number of regional towns provide good exploration support services, while the area features an excellent network of good quality sealed and gravel roads which service the local agricultural community.

The Company commenced its initial exploration pursuant to the Joint Venture in the second half of the year with encouraging results released in June 2010.

Review of Financial Condition

At balance date, the Company had cash at bank of $397,634, net assets of $1,498,999 and no long term liabilities. The Company will proceed to raise funds pursuant to its Prospectus, which will provide sufficient funding to meet its obligations pursuant to the Joint Venture with Oroya.

NET TANGIBLE ASSET BACKING

	30 Jun 2010 $	30 Jun 2009 $
Net Assets	**1,498,999**	**1,157,803**
Less intangible assets	**-**	**-**
Net tangible assets of the Company	**1,498,999**	**1,157,803**
Fully paid ordinary shares on issue at Balance Date	**47,898,383**	**224,490,911**
Net tangible asset backing per issued ordinary share as at Balance Date (cents)	**3.1**	**0.5**

EARNINGS PER SHARE

Basic Loss Per Share (cents)	0.39	0.74
Diluted Loss Per Share (cents)	0.39	0.74

AUDIT DETAILS

The accompanying financial report is not audited. The financial report is currently in the process of being audited.

NEO RESOURCES LIMITED

A.B.N. 63 007 708 429

(Formerly ORT Limited)

FINANCIAL REPORT 2010

For the year ended 30 June 2010

TABLE OF CONTENTS

The Directors present this report together with the Financial Statements of Neo Resources Limited ("the Company"), formerly ORT Limited for the year ended 30 June 2010. This report is for inclusion with the Appedix 4E and a final signed Directors Report will be included in the final signed financial report along with the auditors report.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Peter Torre –Executive Director, Company Secretary (appointed Company Secretary on 3 July 2007 and Non-executive Director on 22 October 2007)
CA, ACIS, MAICD)

Mr Torre has considerable experience in the administration of listed public companies, predominantly in the resource sector. Mr Torre is the Company Secretary of several ASX listed entities inclusive of companies listed on the Toronto Stock Exchange and London's AIM market. He is also a director of Mineral Commodities Limited and a founding director of the Better Life Foundation WA. He was previously a director of Carbine Resources Limited resigning on 23 March 2010.

Mr Torre was previously a partner of an internationally affiliated firm of Chartered Accountants working within its Corporate Services Division for over 9 years, where he also held the position of Chairman of the National Corporate Services Committee.

Mr Torre holds a bachelor of business, is a Chartered Accountant, a Chartered Secretary and is a Member of the Institute of Company Directors.

John Geary – Non-Executive Director (Appointed 30 May 2007)
B. Bus, Grad. Dip Acctg, Grad Dip Adv. Taxation.

Mr Geary has 40 years' experience in the mineral exploration industry in Australia and overseas. His experience includes prospecting and the evaluation, acquisition, maintenance and compliance requirements associated with mining tenements.

Mr Geary has been actively engaged in the planning and implementation of many exploration programmes and his experience as a contract driller has enabled him to recognise and identify potential resource value. Mr Geary was born and educated in Perth, Western Australia and his experience and qualifications have been invaluable in the promotion, prospectus preparation and listing of a number of exploration companies on ASX.

Mr Geary has held the position of Executive Director and Company Secretary for a number of ASX listed exploration companies in recent years. Previous directorships in the past three years include Greater Pacific Gold Limited, Yellow Rock Resources Limited, and was a director of Aurium Resources Limited (resigned 30 June 2008).

Colin Ross Hastings – Independent Non-Executive Director (Appointed 14 May 2010)
Bsc Msc

Mr Hastings is a geologist with over 25 years' international experience in the resource industry including operations, project generation and development.

Mr Hastings has held senior positions with large mining operations in Papua New Guinea, and closely involved in the development of the Simberi Gold Project in PNG. He is currently General Manager Resource Development for Allied Gold Limited and responsible for delivery of the Gold Ridge mine re-development in Solomon Islands.

Mr Hastings holds a BSc in Geology and MSc in Economic Geology.

Peter Youd – Non-Executive Chairman (Appointed 30 May 2007 – Resigned 30 March 2010)

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors of the Company held during the year ended 30 June 2010 and the number of meetings attended by each director is as follows:

	Meetings Eligible to Attend	Meetings attended
Peter Youd	4	4
John Geary	7	6
Peter Torre	7	7
Ross Hastings	-	-

There have been other matters of Board business which have been resolved by circular resolution of directors, which are a record of decisions made at a number of informal meetings held to control, implement and monitor the Company's activities throughout the year.

The Company does not presently have separate nomination, remuneration or audit committees as the Directors believe that the Company is not yet of a size, nor are its financial affairs of such complexity to justify these separate committees. All matters which might be dealt with by such committees are subject to the full scrutiny of board meetings. This decision will be reviewed as the Company develops in the future. Notwithstanding this, it is the Boards responsibility to ensure that an effective internal framework exists within the entity.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The relevant interest of each Director in Shares and Options of the Company at the date of this report are as follows:

	Number of Fully Paid Ordinary Shares	Number of Options Over Ordinary Shares
Peter Torre	1,500,000	-
Ross Hastings	-	-
John Geary	1,000,000	-

PRINCIPAL ACTIVITIES

The Principal activity of the Company during the period was the commencement of exploration pursuant to a Joint Venture Agreement entered into with Oroya Mining Limited.

OPERATING AND FINANCIAL REVIEW

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DIRECTORS' REPORT

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DIVIDENDS PAID OR RECOMMENDED

No amounts have been paid or declared by way of dividend by the Company. The Directors do not propose to recommend the payment of a dividend.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No other Significant changes to the Company's business operations and strategy during the year has occurred other than that explained under the Review of Operations.

LIKELY DEVELOPMENTS

The Company will proceed to raise up to $3 million pursuant to a Prospectus lodged with ASIC on 23 July 2010. The funds raised will be used to further its exploration efforts pursuant to the Joint Venture with Oroya.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No Matter or circumstance, other than that disclosed in the review of operations or elsewhere in this directors report has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

a. the company's operations in future financial years, or
b. the results of those operations in future financial years; or
c. the company's state of affairs in future financial years.

REMUNERATION REPORT (AUDITED)

The following remuneration report has been audited in accordance with s308(3c) of the Corporations Act 2001. This report outlines the remuneration arrangements in place for Directors and other key management personnel of Neo Resources Limited. These remuneration disclosures have been audited. The Company has no key management personnel other than the Directors of the Company.

Details of Key Management Personnel:

- Peter Torre – Executive Director/Company Secretary
- Peter Youd – Non-Executive Chairman (resigned on 30 March 2010)
- John Geary – Non Executive Director
- Ross Hastings – Independent Non-Executive Director

Compensation of Key Management Personnel:

(a) The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors. The entire Board acts as the remuneration committee. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on an annual basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of appropriately qualified directors and executives. Presently there are no formalised arrangements which give rise to the payment of additional remuneration to directors contingent on Company performance.

DIRECTORS' REPORT

The Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting.

The Company has not yet amended its total aggregate cash remuneration from that disclosed in its prospectus dated 8 October 2003 of $150,000.

Given the size of the Company and its operations there is no relationship between remuneration and Company performance. Any remuneration is either fixed or charged at an hourly rate.

Non-executive director remuneration will be determined according to market practice for junior listed companies based on information obtained from industry analysts. The Current Non-Executive Directors have chosen not to receive any directors' fees whilst the Company is in its current development phase. It is proposed that Non-Executive Director Fees of $35,000 pa will be paid upon completion of the capital raising pursuant to the Prospectus.

During the period, fees were paid to the Company Secretary Mr Peter Torre for Corporate Secretarial and Administration services inclusive of rent and all overhead expenses. The previous Chairman, Mr Peter Youd also received fees for additional work undertaken on the establishment of the Company's Palm Oil Project in the Philippines and initial work on the Joint Venture. Mr John Geary also received fees for additional work undertaken on the Joint Venture. Mr Torre and Mr Geary each received 1,000,000 shares in the Company in lieu of Directors fees not taken over prior and current year.

Compensation of Key Management Personnel

2010

	Short term benefits		Post employment benefits	Share based payments	Termination benefits	
	Salary and fees $	**Non monetary benefits $**	**Super-annuation benefits $**	**Shares $**	**$**	**Total $**
Peter Youd	80,063	-	-	-	-	80,063
John Geary	13,481	-	-	50,000	-	63,481
Peter Torre	76,729	-	-	50,000	-	126,729
Ross Hastings	-	-	-	-	-	-
Total remuneration	170,273		-	100,000	-	270,273

2009

	Short term benefits		Post employment benefits	Share based payments	Termination benefits	
	Salary and fees $	**Non monetary benefits $**	**Super-annuation benefits $**	**Shares $**	**$**	**Total $**
Peter Youd	30,325	-	-	-	-	30,325
John Geary	-	-	-	-	-	-
Peter Torre	76,729	-	-	-	-	76,729
Total remuneration	107,054		-	-	-	107,054

Compensation options

There were no compensation options granted during the period. No compensation options were exercised during the year.

Service Agreements

There were formal service agreements with Directors and Key Management Personnel.

Share Based Payment Compensations

Details of shares of ordinary capital in the company provided as remuneration to each director of Neo Resources Limited are set out below:

The fair value of the shares was assessed at Grant date base on observable fair market value. The shares issues are not subject to any escrow period.

	Cash bonus		Share-based compensation benefits (shares)			
Name	**Paid %**	**Forfeited %**	**Year Granted**	**Vested %**	**Forfeited %**	**No shares issued**
Peter Torre	-	-	2010	100		1,000,000
John Geary	-	-	2010	100		1,000,000
Ross Hastings	-	-	-	-	-	-
Peter Youd	-	-	-	-	-	-

[End of Remuneration Report (Audited)]

SHARE OPTIONS

At the date of this report there are 1,000,000 options exercisable at $0.20 expiring on 1/4/2014. These options were issued on 19 May 2010.

There were no options exercised during the year or subsequent to the year-end up to the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has paid an insurance premium in respect of a contract insuring each of the Directors of the Company named earlier in this report and the executive officers of the Company against liabilities and expenses, to the extent permitted by law, arising from claims made against them in their capacity as Directors and officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company. Due to confidentiality clauses contained in the insurance policy the Limit of Liability and Premium paid has not been disclosed.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

In the course of its commencement of exploration pursuant to the WTJV, the Company adhered to environmental regulations imposed upon it by the various regulatory authorities in NSW. The Company has complied with all material environmental requirements up to the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF NEO RESOURCES LIMITED

A copy or the auditors' independence declaration as required under section 307C of the Corporation Act 2001 will be included in the final signed financial report.

DIRECTORS' REPORT

NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

During the year, the company paid $11,615 to BDO Corporate Finance (WA) Pty Ltd, a related party of the Company's auditors to undertake an Independent Experts Report for inclusion in a Prospectus.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES *110 Code of Ethics for Professional Accountants.*

OTHER DISCLOSURES

The Company is a public listed company, domiciled in Australia whose shares are currently suspended from trading. The registered office and principal place of business is Unit B9, 431 Roberts Road Subiaco Western Australia 6008.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Notes	30 June 2010 $	30 June 2009 $
Continuing operations			
Revenues	2(a)	357	2,222
Project expenses		(82,529)	(377,171)
Net loss on sale of investments		(36,884)	(321,802)
Impairment of Project Assets		-	(280,000)
Impairment of available for sale financial assets		(419,149)	(633,998)
Director and Employee benefit expense		(121,208)	(107,054)
Share based payment expense		(100,000)	-
Other corporate and administration expenses	2(b)	(171,882)	(101,975)
Loss before income tax		(931,295)	(1,819,778)
Income tax benefit /(expense)		-	150,511
Loss for the half year from continuing operations		(931,295)	(1,669,267)
Other comprehensive income		-	-
Total comprehensive income for the half-year		(931,295)	(1,669,267)
Loss attributable to members ORT Limited		(931,295)	(1,669,267)
Comprehensive loss attributable to members of ORT Limited		(931,295)	(1,669,267)

	Notes	Cents	Cents
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share	4	0.39	0.74
Diluted loss per share		-	-

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	30 June 2010 $	30 June 2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	397,634	20,333
Trade and other receivables	6	96,648	63,726
Financial assets	7(a)	488,000	1,143,903
AnaeCo Options	7(b)	3,808	16,179
Other current assets	8	78,095	11,117
TOTAL CURRENT ASSETS		1,064,185	1,255,258
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	9	564,016	-
Property, plant and equipment	11	17,071	-
TOTAL NON-CURRENT ASSETS		581,087	-
TOTAL ASSETS		1,645,272	1,255,258
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	135,095	86,277
Other liabilities	13	11,178	11,178
TOTAL CURRENT LIABILITIES		146,273	97,455
TOTAL LIABILITIES		146,273	97,455
NET ASSETS		1,498,999	1,157,803
EQUITY			
Contributed equity	14	10,838,047	9,615,556
Reserves		524,027	1,280,743
Accumulated losses		(9,863,075)	(9,738,496)
TOTAL EQUITY		1,498,999	1,157,803

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

STATEMENT OF CASH FLOW

For the year ended 30 June 2010

	Notes	30 June 2010 $	30 June 2009 $
Cash flows from operating activities			
Interest received		357	2,222
Exploration and evaluation		(461,780)	-
Payments to suppliers and employees		(426,701)	(612,287)
Net cash flows used in operating activities	16	(888,124)	(610,065)
Cash flows from investing activities			
Proceeds from sales of financial assets		212,241	424,026
Payments for plant and equipment		(19,307)	-
Net cash flows provided by investing activities		192,934	424,026
Net cash flows from financing activities			
Proceeds from issue of shares, net of issue costs		1,072,491	-
Proceeds from borrowings from related party		-	40,000
Repayment of borrowings from related party		-	(40,000)
Net cash flows provided by financing activities		1,072,491	-
Net increase / (decrease) in cash and cash equivalents		377,301	(186,039)
Cash and cash equivalents at beginning of period		20,333	206,372
Cash and cash equivalents at end of period	5	397,634	20,333

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010	Contributed Equity $	Accumulated losses $	Employee benefits equity reserve $	Option reserve $	Available for Sale Revaluation Reserve $	Total equity $
Balance at 1 July 2009	9,615,556	(9,738,496)	223,052	250,975	806,716	1,157,803
Reallocation of Available for Sale Revaluation Reserve to Retained Earnings on 1 July 2009 due to early adoption of AASB	-	806,716	-	-	(806,716)	-
Balance at 1 July 2009 as restated	9,615,556	(8,931,780)	223,052	250,975	-	1,157,803
Comprehensive Income						
Loss for the year	-	(931,295)	-	-	-	(931,295)
Total comprehensive income for the year	-	(931,295)	-	-	-	(931,295)
Transactions with owners in their capacity as owners						
- Issue of shares pursuant to entitlement issue and placement of shortfall net of transactions costs	1,072,491	-	-	-	-	1,072,491
- Issue of shares to directors	100,000	-	-	-	-	100,000
- Issue of shares as part consideration for Joint Venture	50,000	-	-	-	-	50,000
- Issue of options as part consideration for Joint Venture	-	-	-	50,000	-	50,000
Balance at 30 June 2010	10,838,047	(9,863,075)	223,052	300,975	-	1,498,999

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Contributed Equity $	Accumulated losses $	Employee benefits equity reserve $	Option reserve $	Available for Sale Revaluation Reserve	Total equity $
Balance at 1 July 2008	9,615,556	(8,069,230)	223,052	250,975	-	2,020,354
Comprehensive Income						
Changes in Fair Value of financial assets available for sale	-	-	-	-	806,716	806,716
Loss for the period	-	(1,669,267)	-	-	-	(1,669,267)
Total comprehensive income for the year	-	(1,669,267)	-	-	-	(1,669,267)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance at 30 June 2009	9,615,556	(9,378,496)	223,052	250,975	806,716	1,157,803

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These financial statements are general-purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

Neo Resources Limited is a listed public company, incorporated and domiciled in Australia.

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

The functional and presentation currency of the Company is Australian Dollars.

Presentation of financial statements

The Company has applied revised AASB 101 *Presentation of Financial Statements (2007),* which became effective as of 1 January 2009.

As a result, the Company presents in the statement of changes in equity, whereas all non-owner changes are presented in the statement of comprehensive income. This presentation has been applied in these financial statements as of and for the year ended on 30 June 2010.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the accounting policy only impacts presentation aspects, there is no impact on earnings per share

Early adoption of Standard

The Company has elected to apply the following standard to the annual reporting period beginning 1 July 2009.

Financial Assets

The Company has adopted AASB 9 *Financial Instruments* and will apply the requirements of the new standard to financial assets for the year ended 30 June 2010.

As allowed by AASB 9, if early adopted, the Company has elected not to restate prior periods. Any adjustments between the previous carrying amounts and the carrying amount as restated have been recognised in the opening retained earnings at 1 July 2009.

Historical cost convention

The financial report has been prepared on an accruals basis and is based on historical costs, with the exception of financial assets at fair value.

(a) Cash and Cash Equivalents

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

(b) Income Tax

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity or comprehensive Income, in which case the deferred tax is adjusted directly against equity or comprehensive income respectively.

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

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

(c) Mineral Exploration and Evaluation and Development Expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

When production commences, carried forward exploration and evaluation costs are transferred to mine development cost at carrying value, and are amortised from the date in which commercial production began.

Restoration costs expected to be incurred are provided for as part of exploration & evaluation phases that give rise to the need for restoration.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

When rights to tenure are held and expenditures are expected to be recouped through development and economic exploitation of the area of interest, the exploration costs are capitalised and amortised against the estimated economical mine life once mining commences.

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

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

(d) Interests in Joint Ventures

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in Note 10.

(e) Plant and Equipment

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

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciation amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant, office and computer equipment	33%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

(f) Impairment of Assets

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

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

(g) Employee Benefits

A provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Financial Instruments

At present, the Company does not undertake any hedging or deal in derivative instruments.

Recognition

The Company recognises receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

Financial assets are classified based on the objective of the group's business model for managing the financial assets and the characteristics of the contractual cash flows.

The Company derecognises a financial asset when the contractual cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows such that substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company has the following financial assets:

Financial assets at fair value

Financial assets at fair value are non-derivative financial assets.

Financial assets at fair value are measured initially at fair value which includes transaction costs directly attributable to the acquisition of the financial asset. They are measured subsequently at fair value with movements in fair value being recognised in profit or loss, unless:

- The financial asset is an equity investment, and
- The Company has made an irrevocable election to present gains and losses on the financial asset in other comprehensive income. This election has been made on an individual equity basis.

Dividends from equity investments are included in profit or loss regardless of whether the election has been made to recognise movements in fair value in other comprehensive income.

Profit or loss arising on the sale of equity investments is recognised in profit or loss unless the election has been made to recognise fair value movements in other comprehensive income, in which case the profit or loss on sale is also recognised in other comprehensive income.

Impairment

Impairment losses on financial assets at fair value are recognised in profit or loss, unless the election has been made to recognise movements in fair value in other comprehensive income, in which case impairment losses are recognised in other comprehensive income.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instructions and option pricing models.

(i) Revenue Recognition

Revenue from the sale of goods and disposal of other assets.

Interest income is recognised using the effective interest rate method.

(j) Earnings Per Share

Basic earnings per share

Basic earnings per share ("EPS") is calculated as net profit or loss attributable to ordinary shareholders of the company divided by the weighted average number of shares outstanding during the period.

Diluted earnings per share

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather that the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing operations, and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

(k) Share-Based Payment Transactions

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with Directors and employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No expense is recognised for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment - Recoverability of Capitalized Expenditures

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including the estimates costs of extraction and the underlying forward gold price.

(n) Contributed Equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Statement of compliance

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.

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the company.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

No other Accounting Standards, amendments and interpretations which have been issued but are not yet effective are expected to affect the Company.

	30 June 2010 $	30 June 2009 $
2 Revenue and Expenses		
(a) Finance Revenue		
Interest Received – Other Persons	357	2,222
Total Revenue	357	2,222
(b) Other Administrative Expenses		
ASX Fees	24,795	8,375
Legal Fees	39,586	12,138
Share Registry Expenses	55,137	18,177
Audit	13,692	14,750
Depreciation Expense	2,236	-
Other	36,436	-
	171,882	53,440

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

		Company 30 June 2010 $	Company 30 June 2009 $
3.	**Income Tax**		
(a)	The major components of income tax expense are:		
	Income statement		
	Current income tax		
	Current income tax benefit	-	-
	Deferred income tax		
	Relating to origination and reversal of temporary differences	-	-
	Reversal of Deferred Tax Liability	-	(150,511)
	Income tax (benefit)/expense as reported in the income statement	-	(150,511)
(b)	A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:		
	Accounting profit (loss) before tax	(931,295)	(1,819,778)
	At the statutory income tax rate of 30% (2008:30%)	(279,389)	(545,933)
	Temporary Differences	(30,733)	198,281
	Non-allowable expenses	41,065	209,692
	Unrecognised tax losses	(269,056)	288,471
		-	(150,511)
(c)	**Deferred income tax**		
	Deferred tax assets not recognised	-	-
	Deferred tax on impairment of financial asset	-	-
		-	-

The tax benefits of the above deferred tax assets will only be obtained if:

a. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.
b. The Company continues to comply with the conditions for deductibility imposed by law; law
c. No changes in income tax legislation adversely affect the Company utilising the Company in utilising the benefits.

Deferred tax liabilities

	Company 30 June 2010 $	Company 30 June 2009 $
Deferred tax liability on gain on conversion option	-	228,427

4 Earnings Per Share

	Company 30 June 2010 $	Company 30 June 2009 $
Basic earnings/(losses) per share – cents per share	(0.39)	(0.74)
Diluted earnings/(losses) per share – cents per share	(0.39)	(0.74)
Net loss attributable to ordinary shareholders used in the calculation of basic and diluted loss per share	(931,295)	(1,669,267)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share	238,052,162	224,490,9111

The Company had on issue no share options that are excluded from the calculation of dilutive loss per share because they are anti-dilutive as their inclusion reduces the loss per share.

5 Cash and Cash Equivalents

Cash at bank and in hand	397,634	20,333

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Risk Exposure

The Company's exposure to interest rate risk is discussed in Note 23. The maximum exposure to credit risk at reporting date is the carrying value amount of cash and cash equivalents noted above.

6 Trade and Other Receivables

Goods and Services Tax recoverable (1)	37,853	5,572
Deposits not forming part of liquid cash balance (2)	58,795	58,154
	96,648	63,726

Terms and conditions relating to the above financial instruments:

1. Goods and services tax recoverable is generally received in the month following lodgement of the applicable business activity statement.

2. Deposits not forming part of liquid cash represents funds held in bank accounts on behalf of shareholders relating to the sale of unmarketable parcels of shares. These funds will be paid to the entitled shareholders upon them completing the relevant claims procedure. Monies not claimed within a set period of time will be sent to the receiver of unclaimed monies.

Due to the short-tem nature of these receivables, their carrying amount is assessed to approximate their fair value. Refer to Note 23 for information on the risk management policies on Trade and Other Receivables. No Trade and other receivables are past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

	Company 30 June 2010 $	Company 30 June 2009 $
7 Other Financial Assets		
(a) Available for Sale Financial Assets(Shares)		
Investment in AneaCo Limited	488,000	1,143,903
b. Available for Sale Financial Assets (Options)		
AneaCo Options	3,808	16,179

The investment in AneaCo is valued at $488,000 at the market price at 30 June 2010.

Listed Options were revalued at 30 June 2010 at a market price at that date.

i. Impairment and Risk Exposure

For an analysis of the sensitivity of available for sale financial assets to price and interest rate risk refer to Note 23.

	Company 30 June 2010 $	Company 30 June 2009 $
8 Other Current Assets		
Prepayments	10,185	11,117
Capital Raising Costs	67,910	
	78,095	11,117
9 Exploration and Evaluation	564,106	-

The ultimate recoupment of such costs is dependent on successful development and commercial exploitation, or alternatively sale of the exploration areas.

Reconciliation of the carrying amount of mining tenements at the beginning and end of the current and the previous financial year:

Carrying amount at beginning of year	-	-
Exploration Expenditure	412,261	-
JV acquisition and introductory costs	151,755	-
Carrying amount at end of year	564,106	-

10. INTEREST IN JOINT VENTURES

On 7 December 2009, the Company announced that it had entered into a Joint Venture Agreement with Oroya Mining Limited (Oroya).

The joint venture is known as the Wiagdon Thrust Joint Venture (WTJV). The venture consists of a suite of 10 gold and base metal exploration licences, with a total area of approximately 2,000 square kilometres in the Lachlan Fold Belt of New South Wales.

Under the terms of the WTJV agreement, NEO will fund exploration and administration to a value of $1.5M over a two year period, earning a 70% interest by that expenditure.

As at 30 June 2010, the Company had incurred $564,106 on exploration expenditure on the Joint Venture and is included in the total amount of exploration and evaluation expenditure disclosed in the Balance Sheet. There are no liabilities of contingent liabilities within the Joint Venture.

		30 June 2010 $	30 June 2009 $
11	**Plant and Equipment**		
	Field Equipment	2,674	-
	Accumulated Depreciation	(155)	-
		2,519	-
	Office Equipment	9,428	-
	Accumulated Depreciation	(897)	-
		8,531	-
	Computer Software	7,205	-
	Accumulated Depreciation	(1,184)	-
		6,021	-
	Total Plant and Equipment	17,071	-
	Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial period:		
	Carrying amount at beginning of year	-	-
	Additions	19,307	-
	Depreciation	(2,236)	-
	Carrying amount at end of year	17,071	-
12	**Trade and Other Payables**		
	Trade payables (i)	88,775	39,957
	Other payables (ii)	46,320	46,320
		135,095	86,277

(i) Trade payables are non-interest bearing and normally settled on 30 day terms.

(ii) Other payables relate to payments to shareholders relating to the sale of unmarketable parcels of shares. These funds will be paid to the entitled shareholders upon them completing the relevant claims procedure. Monies not claimed within a set period of time will be sent to the receiver of unclaimed monies. The amount is non-interest bearing.

	30 June 2010 $	30 June 2009 $
13 Other liabilities (Current)		
Unmarketable parcel clearing	11,178	11,178

During the 2004 financial year the Company conducted a sale of unmarketable parcels of shares on behalf of shareholders. Proceeds from this sale are held by the Company on behalf of shareholders until the shareholder provides instructions to claim the monies due to them.

14 Issued Capital

47,898,393 (2009: 224,490,911) fully paid ordinary shares	10,838,047	9,615,556

Effective 1 July 1998, the corporations legislation in place abolished the concept of authorised capital and par value shares. Accordingly, the parent company does not have authorised capital nor par value in respect of its issued shares.

Ordinary shares participate in dividends (if available) and the proceeds on winding up of the Parent Entity in proportion to the number of shares held.

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

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. "Capital" means the ordinary shares of the Company.

The Company does not have sufficient cash inflows from any operations to fund working capital requirements and investing activities, therefore, the Company may issue shares to either provide cash for operations or to acquire assets.

During the financial year the Company issued 224,490,911 shares at $0.005 to raise approximately $1.12 million for these purposes. The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

Movements in issued capital	Date	2010 No of Shares	2010 $	2009 No of Shares	2009 $
Ordinary fully paid shares					
Balance at beginning of the financial period		224,490,911	9,615,556	224,490,911	9,615,556
Shares issued at $0.005 pursuant to Entitlement Issue and placement of Shortfall	Feb/Apr 10	224,490,911	1,122,455	-	-
Capital raising costs		-	(49,964)	-	-
Share Consolidation on a 1 for 10 basis	May 10	(404,083,439)	-	-	-
Shares issued to Directors pursuant to shareholder approval	May 10	2,000,000	100,000	-	-
Shares issued as introductory fee for Joint venture	May 10	1,000,000	50,000	-	-
Closing balance at the end of financial period		47,898,383	10,838,047	224,490,911	9,615,556

Share Options

There were 1,000,000 options over ordinary shares issued during the year with an exercise price of $0.20 expiring on 1 July 2014, (2009: Nil).

	30 June 2010 $	30 June 2009 $
15 Reserves		
Option issue reserve (i)	300,975	250,975
Employee equity benefits reserve (ii)	223,052	223,052
Available for Sale Revaluation Reserve (iii)	-	806,716
	524,027	1,280,743

(i) The Option Issue Reserve has arisen upon the issue of options for an issue price (subscription), or the issue of options in a transaction for which a value has been ascribed using a recognised option pricing methodology.

(ii) The employee equity benefits reserve has arisen upon the issue of share based compensation to employees and key management personnel.

(iii) The Available for Sale Revaluation Reserve arises from the revaluation of assets which are available for sale, along with the initial recognition of a bonus issue of options from AneaCo Limited.

	30 June 2010 $	30 June 2009 $
Options issue reserve		
Balance at beginning of period	250,975	250,975
Movement	50,000	-
	300,975	250,975
Employee equity benefits reserve		
Balance at beginning of period	223,052	223,052
Movement	-	-
	223,052	223,052
Available for Sale Revaluation Reserve		
Balance at beginning of period	806,716	-
Revaluation of Financial Assets	-	806,716
Transfer of impairment to Retained Earnings	806,716	-
Balance at end of the period	-	806,716

	30 June 2010 $	30 June 2009 $
16 Reconciliation of the loss to the net cash flows from operations		
Loss after tax	(931,295)	(1,669,267)
Non-cash items:		
Share based payments	100,000	-
Impairment of financial assets	419,149	633,998
Impairment of Project Expenses	-	280,000
Loss on Sale of Investments	36,884	358,037
Gain on Sale of Investments	-	(36,235)
Changes in net assets and liabilities:		
(Increase)/decrease in trade and other receivables	(32,922)	36,749
(Increase)/decrease in prepayments	(66.978)	4,820
Increase/(decrease) in trade and other payables	48,818	(67,656)
Movement in Deferred taxes	-	(150,511)
Exploration Evaluation Expenditure	(461,780)	-
Net cash flow (used in) operating activities	(888,124)	(610,065)

There were 1,000,000 options over ordinary shares issued during the year with an exercise price of $0.20 expiring on 1 July 2014, (2009: Nil) and 1,000,000 fully paid shares as an introductory fee for the Joint Venture.

There were no other non-cash financing and investing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

17 Commitments and Contingencies

Exploration Commitments

Exploration commitments contracted for under the Joint Venture Agreement with Oroya Mining Limited but not capitalised in the financial statements:

	30 June 2010 $	30 June 2009 $
Due within 1 year	674,000	0
Due greater than 1 year and less than 5	674,000	0
Total	1,348,000	0

18 Directors and Executives Disclosures

(a) Compensation for key management personnel

	30 June 2010 $	30 June 2009 $
Short-term employment benefits	170,273	107,054
Share-based payments	100,000	-
Total Compensation	270,273	107,054

(b) Option holdings of Key Management Personnel

2010	Balance at 1 July 2009	Appointment / resignation as a director	Exercised	Acquired / (disposed) other	Balance at 30 June 2010	Number vested and exercisable
Peter Torre	-	-	-	-	-	-
Peter Youd[1]	-	-	-	-	-	-
John Geary	-	-	-	-	-	-
Ross Hastings	-	-	-	-	-	-

2009	Balance at 1 July 2008	Appointment / resignation as a director	Exercised	Acquired / (disposed) other	Balance at 30 June 2009	Number vested and exercisable
Peter Torre	-	-	-	-	-	-
Peter Youd	-	-	-	-	-	-
John Geary	-	-	-	-	-	-

During the financial year, no options were issued to Directors of the Company or their director-related entities.

[1] Resigned March 2010

(c) Shareholdings of Key Management Personnel

2010	Balance at 1 July 2009	Acquired / (disposed) other	Appointment / (resignation) as director	Granted as Compensation	Balance at 30 June 2010
Peter Torre	2,500,000	(2,000,000)	-	1,000,000	1,500,000
Peter Youd[1]	-	3,000,000	(3,000,000)	-	-
John Geary	-	-	-	1,000,000	1,000,000
Ross Hastings	-	-	-	-	-

2009	Balance at 1 July 2008	Acquired / (disposed) other	Appointment / (resignation) as director	Granted as Compensation	Balance at 30 June 2009
Peter Torre	2,500,000	-	-	-	2,500,000
Peter Youd	-	-	-	-	-
John Geary	-	-	-	-	-

[1] Resigned March 2010

(d) Loans from Key Management Personnel

During the 2009 financial year, the Company borrowed $40,000 from a director, Mr Peter Youd, in order to facilitate the timely payment of funds for operations in the Philippines. The funds were advanced interest free with no set terms for repayment.

The funds were promptly repaid and no outstanding balances existed at balance date.

19. Share Based Payments

At a General Meeting of Neo Resources Limited on 23 April 2010, shareholders approved the issue of shares to the Directors of the company.

Each of Peter Torre and John Geary received 1,000,000 ordinary shares in the company as consideration for their service to the company. These shares are not subject to escrow.

The shares were valued at 5 cents per share which total $100,000. This amount has been expensed in the Statement of Comprehensive Income during the year (2009: nil).

No further options or shares have been issued as compensation during the year.

Details of other transactions with Directors are given in Note 18.

20 Related Party Transactions

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

(a) Directors' Remuneration and Retirement Benefits

Details of directors' remuneration are disclosed in Note 18.

(b) Director Related Entities

There were no transactions with Director Related Entities during the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

21 Segment Reporting

Management has determined that the company has one reportable segment at 30 June 2010, being mineral exploration in Australia. As the company is focused on exploration, the Board will monitor the company based on actual versus budgeted exploration expenditure incurred by the joint venture area in total. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Revenue from external sources	Company 30 June 2010 $	Company 30 June 2009 $
Reportable segment gain/(loss)	-	-
Reportable segment assets	(564,106)	-
Reportable segment liabilities	-	-
Reconciliation of reportable segment loss		
Reportable segment loss	-	-
Other revenues	-	-
Unallocated:		
- Corporate expenses	(931,295)	-

22 Remuneration of Auditors

	Company 2010 $	Company 2009 $
Amounts paid or due and payable to the auditors of the Company for:		
Audit services, including half year review services – BDO Audit (WA) Pty Ltd	27,080	14,318
Other Auditors	-	25,750
Other assurance and BDO Corporate Finance (WA) Pty Ltd services	11,615	
	38,695	40,068

Other Audit fees in 2009 were paid to Ernst and Young the previous auditors of the Company.

23 FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's activities are exposed to a variety of financial risks: market risk (including cash flow interest rate risk, credit risk liquidity risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Board.

Financial Risk

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk, and price risk.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to the Company's floating interest rate cash balance which is subject to movements in interest rates. The Board monitors its cash balance on an ongoing basis and liaises with its financiers regularly to mitigate cash flow interest rate risk

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Board monitors rolling cash flow forecasts to manage liquidity risk. The only financial liabilities of the Company at balance date are trade and other payables. The amounts are unsecured and are usually paid within 30 days of recognition.

Price Risk

The Company is exposed to equity security price risk. This arises from investments held by the Company and classified on the balance sheet either as available for sale.

It is not the intention to develop a portfolio of assets which are available for sale. The only asset held as such are the shares and options held in Aneaco Limited. The below table summarises the impact of any increases/decreases in the market price of Aneaco Limited on equity. The percentage used is based on possible volatility of the share price of AneaCo Limited

30 June 2010	**Carrying Amount $**	**Price Risk -20%**		**+20%**	
		Profit $	**Equity$**	**Profit $**	**Equity$**
Shares	488,000	(97,600)	-	97,600	-
Options	3,808	(762)	-	762	-
Total increase/Decrease	491,808	(98,362)	-	98,362	-

30 June 2009	**Carrying Amount $**	**Price Risk -20%**		**+20%**	
		Profit $	**Equity$**	**Profit $**	**Equity$**
Shares	1,143,903	(228,780)	-	-	228,780
Options	16,179	(3,235)	-	-	3,235
Total increase/Decrease	-	(232,015)	-	-	232,015

FAIR VALUE AND INTEREST RATE EXPOSURE

(a) Fair value

All financial assets and financial liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value (because of their short term nature) unless otherwise stated in the applicable notes.

(b) Interest Rate Risk

The table below details the interest rate sensitivity analyses of the Company at the reporting date, holding all other variables constant. A 50 basis point favourable (+) and unfavourable (-) change is deemed to be possible change and is used when reporting interest rate risk.

		Post tax Effect On:		Effect On:	
Risk Variable	**Sensitivity***	**Profit 2010 $**	**Equity 2010 $**	**Profit 2009 $**	**Equity 2009 $**
Interest Rate	+ 0.5%	19,882	19,882	1,016	1,016
	- 0.5%	(19,882)	19,882	(1,016)	(1,016)

*The method used to arrive at the possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points. It is considered that 50 basis points a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

24 Significant events after balance date

On 23 July 2010, the Company lodged a Prospectus for the issue of up to 15,000,000 fully paid ordinary shares at $0.20 to raise up to $3 million. The offer pursuant to the Prospectus closes on 6 September 2010.

Other than the above, no matter or circumstance has arisen since 30 June 2010 that has significantly affected, or, may significantly affect:

a. the company's operations in future financial years, or
b. the results of those operations in future financial years; or
c. the company's state of affairs in future financial years.

25 Dividends

No dividends have been paid or declared during the year.